

# AMERICAN GAS JOURNAL

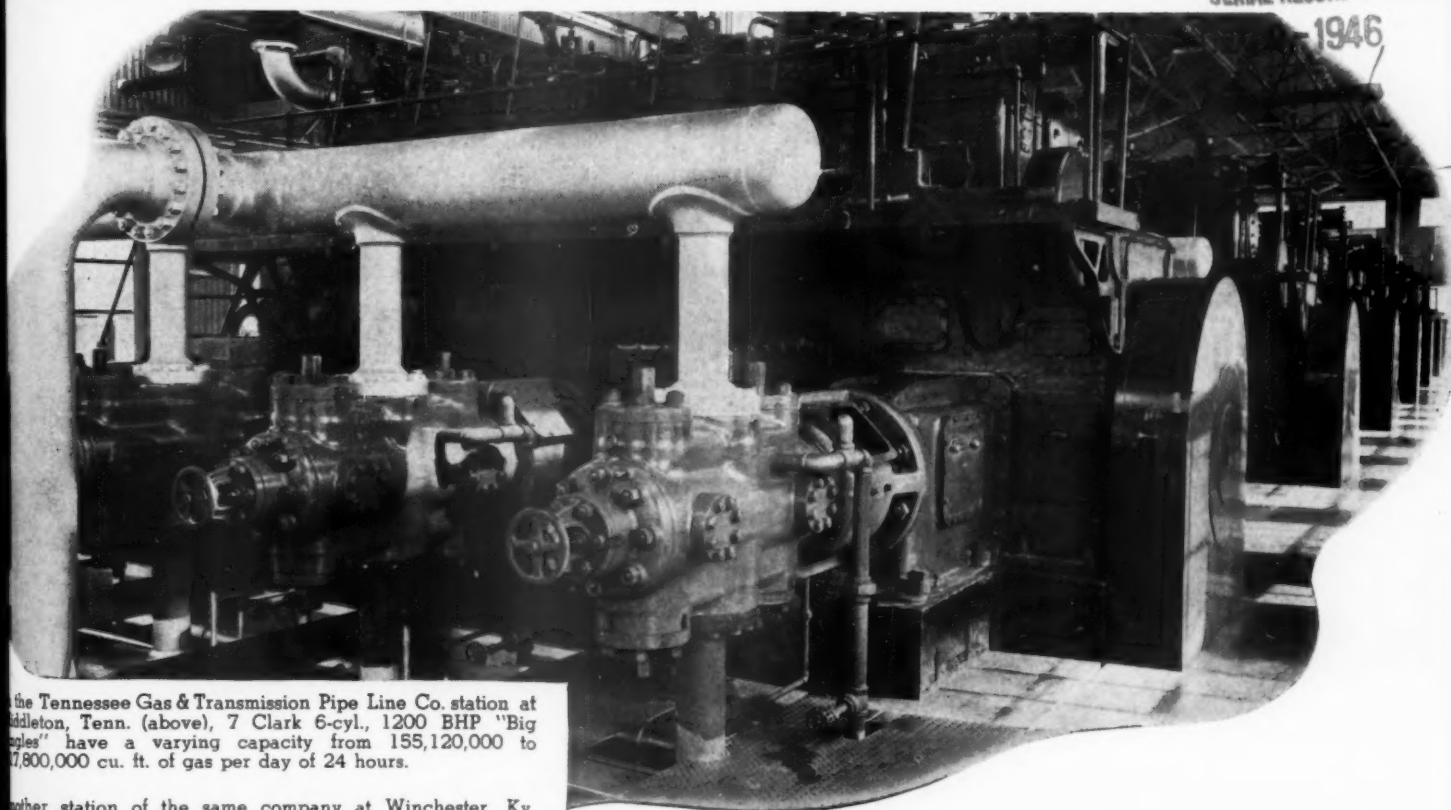
88th YEAR

NOVEMBER 1946

VOL. 165 NO. 5

SERIAL RECORD

1946



the Tennessee Gas & Transmission Pipe Line Co. station at Middleton, Tenn. (above), 7 Clark 6-cyl., 1200 BHP "Big Angles" have a varying capacity from 155,120,000 to 17,800,000 cu. ft. of gas per day of 24 hours.

Another station of the same company at Winchester, Ky. (below), has 6 of these Clark units. The extraordinary simplicity and accessibility of these Clark "Big Angle" units result in most economical operation. Ease and speed of maintenance operations, users state, are "simply phenomenal". Lubrication is at a minimum.

## CLARK "BIG ANGLES"

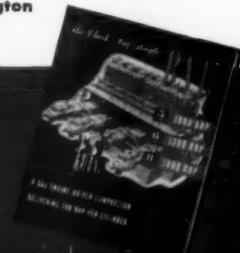
on the Tennessee Gas & Transmission Pipe Line

Rating 200 brake horsepower per cylinder, the Clark "Big Angle" unit is the most powerful right-angle, gas-engine-driven compressor ever built. It fulfills the industry's demand for *greater power in less space* and at lower over-all cost. This unit is built in three sizes: 5-cyl., 1000 BHP; 6-cyl., 1200 BHP; 8-cyl., 1600 BHP.

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NOV 28 1945

*In operating efficiency . . .*

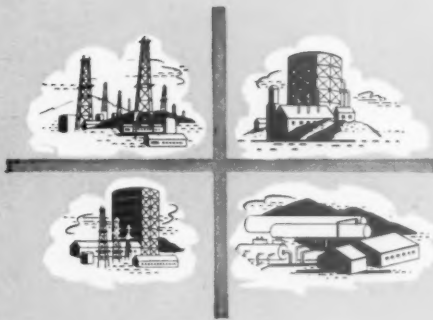
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**THE GORDON** burner, with its baffles and air-seal features prevents secondary air from entering the combustion chamber and thus produces a mushroom flame which instantly scrubs every inch of furnace or boiler walls with intense heat.



**THE GORDON** burner uses the patented iris orifice, designed like the aperture of a camera. The volume of input up to 600 cu. ft. per hour is instantly controllable by a flip of the finger, yet the orifice can be safely locked in any desired position.



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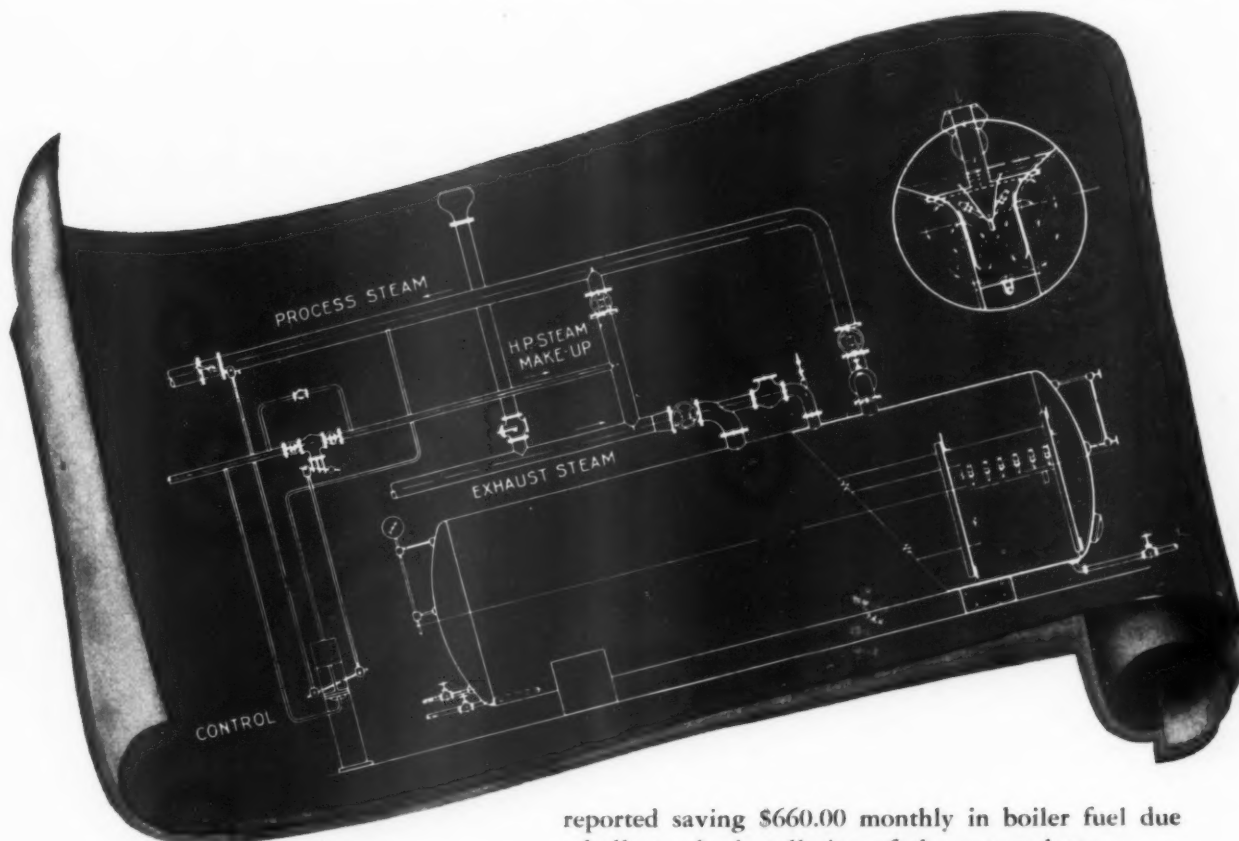
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# A Semet-Solvay Steam Accumulator

## SAVED \$660 PER MONTH FOR ONE PLANT.

SEMET-SOLVAY STEAM ACCUMULATORS for water gas machines make use of exhaust steam instead of expensive high pressure steam for the gas making process. This results in large savings. For instance, one company



reported saving \$660.00 monthly in boiler fuel due wholly to the installation of the accumulator.

The steam accumulator stores up the low pressure steam during the blowing period and releases it to the water gas machine during the following gas making period. Automatic controls are provided so that the entire unit operates with a minimum of attention.

One of our engineers will be glad to visit your plant to study your present steam conditions.

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# Great new 1947 Servel





# *a smash hit*

## **AT A.G.A. CONVENTION**

THE 1947 SERVEL is a significant step forward in the continuing march of Gas and Gas Service.

IT HAS THE FEATURES women want! The big Frozen Food Locker in the 1947 Servel will win the enthusiastic praise of housewives everywhere.

IN THE 1947 SERVEL, we have a great new opportunity for dramatizing the modernity of Gas to our customers.

POINT FOR POINT, the new Servel meets and surpasses the best competition has yet offered. I am convinced sales will top all previous records.

These statements are typical of the overwhelming enthusiasm that greeted the unveiling of the 1947 Servel Gas Refrigerator in Atlantic City. They are indicative of the future good will and record-breaking sales promised by the great new Servel for the year just ahead.

The 1947 Servel offers a new, big Frozen Food Locker, a specially designed flexible interior and

many other sales-building features. These, combined with Servel's silence and dependability, will make it the outstanding choice of thousands of buyers.

Now is the time to plan for 1947. Line up an adequate, highly trained sales force. Decide on hard-hitting promotion and advertising materials. You'll then be in a position to take full advantage of the great new 1947 Servel Gas Refrigerator.

**Servel, Inc. • EVANSVILLE 20, INDIANA**

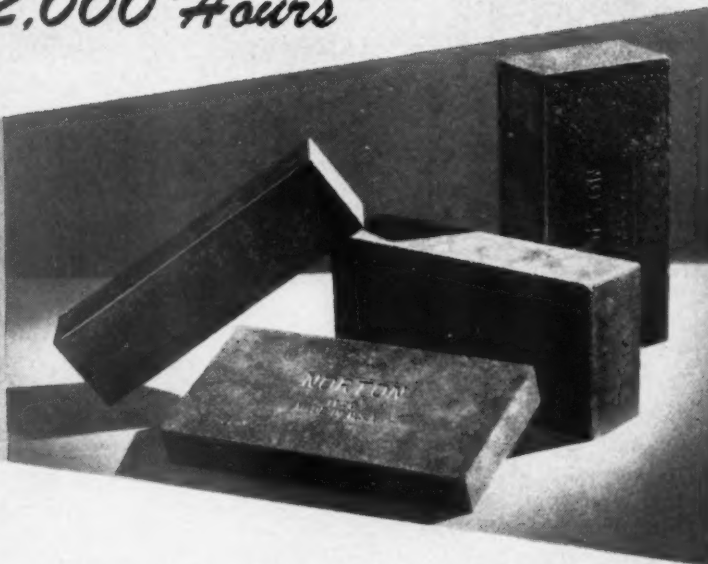
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**CRYSTOLON**

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## To More Than 22,000 Hours



Not only do CRYSTOLON Brick stretch the life of generator linings very considerably due to their refractoriness, chemical stability and resistance to the penetration of molten ash, but also these silicon carbide brick often pay for themselves the first year by savings in cleaning costs alone. Among water gas plants\* in generator after generator CRYSTOLON Brick are increasing lining life, reducing cleaning time. An important feature of CRYSTOLON Brick is that their dense, hard surface resists slag penetration and therefore the clinker ring is quickly broken free, leaving the surface of the lining clean and undamaged for further service.

**NORTON COMPANY**

— **Worcester 6, Mass.**

\* Names on request.



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protects you against  
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The same experienced organization, augmented in strength and familiar with the practical, modern needs of the gas industry, is actively functioning.

First, to restore, as soon as adequate materials become available, the full volume enlarged production so critically needed to meet today's urgent requirements.

Secondly, to incorporate in future products—without slow-down of immediate needs—the new and progressive improvements which have for so many years maintained American Meter Company leadership.

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NOVEMBER

1946

# AMERICAN GAS JOURNAL

VOLUME 165

No. 5

## Twenty-Eighth Annual Convention of the American Gas Association

**O**VER 6,000 gas men from every section of the United States and Canada, were in attendance when the 28th Annual Convention opened at Atlantic City, N. J., on Oct. 7th and continued for four days. All the vitality of a great industry was reflected throughout the meeting.

The first General Sessions meeting was held on the morning of Oct. 8th, with President Everett J. Boothby, presiding. New officers for the ensuing year were elected (Complete list on next page).

The Honorable J. A. Krug, Secretary of the Interior, Washington, D. C., spoke on the subject "The Government in Business." An abstract of Mr. Krug's paper will be found elsewhere in this issue of the Journal.

The second General Sessions meeting was held Wednesday night, when President Boothby delivered the Presidential address. Mr. Boothby drew a contrast between the vision business men had a year ago and the present day reality which is so different from what had been anticipated.

"Instead of the unprecedented production that was visualized in our own country, we are beset on all sides with shortages, which bid fair to undermine our whole economy as the result of maladjusted states of mind of individuals and in the inflation which now is upon us. These shortages in most instances are caused by the continued existence of the very controls which have in theory



Everett J. Boothby

been imposed and continued, to prevent such shortages. At this time we as a nation are going along under the worst condition—part of the economy still subject to governmental controls which were necessary during the war, with the remainder decontrolled. Fundamentally, except when war emergencies make it otherwise necessary, this democracy has always done its best when having the least interference from government and when there has been the least interference with the law of supply and demand.

"We have not been spared the effects of maladjusted states of mind in our labor relations. All materials

which we purchase have gone up in price. Our costs of doing business have risen seriously and are likely to rise to even higher levels. This trend makes the path no easier for regulated businesses. Generally it has been only the public utilities which have been able to go through the war and thus far into peace without substantial increases in the prices charged the public for their product or services. The gas industry has been able generally to avoid asking for higher prices despite heavy increases in cost straight across the board. As costs still further increase, the time will come when some of our companies will no longer be able to continue this record. As these companies approach this point, we feel that the records of past performance should be taken into consideration and the regulatory bodies act promptly in granting higher rates where they are necessary, to permit the companies to continue their service on the same high plane as heretofore.

Mr. Boothby said that the gas industry as a whole is united today as never before to deal with its industry problems, and that this cooperative spirit was demonstrated fully during the war years when the gas industry's research and promotional plan was brought into being.

"In advocating a broader program of utilization research—one possibility entering into fields not heretofore considered, we must bear in mind the responsibility we have, not to take over or undermine that which is rightfully the prerogative of the



R. H. Hargrove



Hudson W. Reed



Robert W. Hendee

### Newly Elected Officers, American Gas Association, 1946-1947

President, R. H. Hargrove, Vice-President, United Gas Pipe Line Company, Shreveport, La.

First Vice-President: Hudson W. Reed, President, The Philadelphia Gas Works Co., Philadelphia, Pa.

Second Vice-President, Robert W. Hendee, President, Colorado Interstate Gas Co., Colorado Springs, Colorado.

Treasurer, Edward F. Barrett, President, Long Island Lighting Company, Mineola, New York.

#### Directors for Two-year Terms:

F. M. Banks, Vice-Pres., Southern California Gas Co., Los Angeles, California.

R. G. Barnett, Vice-Pres., & Gen. Mgr., Portland Gas & Coke Co., Portland, Oregon.

A. M. Beebee, Vice-Pres., Rochester Gas and Electric Corporation, Rochester, New York.

James A. Brown, Vice-Pres., Commonwealth & Southern Corporation, New York, N. Y.

D. P. Hartson, Vice-Pres., Equitable Gas Company, Pittsburgh, Pennsylvania.

Lyle C. Harvey, President, Bryant Heater Company, Cleveland, Ohio.

John C. Parker, Vice-President, Consolidated Edison Co. of New York, New York, N. Y.

George F. Mitchell, President, The Peoples Gas Light & Coke Company, Chicago, Ill.

D. P. O'Keefe, President, O'Keefe & Merritt Company, Los Angeles, California.

Frank C. Smith, President, Houston Natural Gas Corporation, Houston, Texas.

A. H. Stack, President, The Tampa Gas Company, Tampa, Florida.

#### Section Officers

*Accounting Section*—Chairman, L. V. Watkins, Panhandle Eastern Pipe Line Co., New York, N. Y.; Vice-Chairman—John A. Williams, Niagara Hudson Power Corp., Syracuse, N. Y.

*Industrial and Commercial Gas Section*—Chairman—Karl Emmerling, The East Ohio Gas Company, Cleveland, Ohio; Vice-Chairman—Leon Ourusoff, Washington Gas Light Co., Washington, D. C.

*Manufacturers Section*—Chairman—R. L. O'Brien, Pres., Detroit Brass & Malleable Works, Detroit, Mich.

*Residential Gas Section*—Chairman—Wallace M. Chamberlain, Michigan Consolidated Gas Co., Grand Rapids, Michigan; Vice-Chairman—C. S. Stackpole, Consolidated Gas, Electric Light & Power Company of Baltimore, Baltimore, Md.

*Technical Section*—Chairman—C. S. Goldsmith, The Brooklyn Union Gas Co., Brooklyn, N. Y.; Vice-Chairman—A. C. Cherry, Cincinnati Gas & Electric Co., Cincinnati, Ohio.

*Publicity and Advertising Committee*—E. M. Tharp, The Ohio Fuel Gas Co., Columbus, Ohio.

appliance manufacturer. Cooperative research must be planned so as not to take the place of research which the manufacturers should carry on as part of their activities to preserve their appropriate place in our system of free enterprise and competition. Any such program that we sponsor must be shaped to stimulate and supplement what the manufacturers do and must be conceived to provide what otherwise probably would not be done. But while taking this position in behalf of the manufacturers, at the same time let me point out that instead of using this as a privilege, they must accept this independence of action as a challenge to go even further in the development and production of modern and better appliances for the industry.

"It is essential that we go further and recognize that other relationships between gas appliance manufacturers and the gas utilities are changing rapidly, largely because of the increasing extent to which dealer activities have been developed. These relationships must be watched closely by both the utilities and the manufacturers so that there will be no alienation between the two. The leaders in both groups will readily recognize this and the responsibility which they have. Through the respective associations of the two groups, namely Gas Appliance Manufacturers Association and American Gas Association much can and will be done. Each must chart its course to be of assistance to the other even more than it has in the past."



SECTION AND COMMITTEE CHAIRMEN, 1946-47



Edward F. Barrett  
Treasurer A.G.A.

ACCOUNTING



L. V. Watkins

INDUSTRIAL AND  
COMMERCIAL



Karl Emmerling

MANUFACTURERS



R. L. O'Brien

The third General Sessions meeting was held Thursday morning.

Prof. Erwin H. Schell, Head of Business and Engineering, M.I.T., Boston, talked on the "Economics of Tomorrow's Business."

H. Carl Wolf, Managing Director, presented in his address a comprehensive summary of the accomplishments of the Association during the past year. He summarized the activities of each section and paid tribute to their effective work and the co-ordination among personnel. In the building of even greater acceptance of gas as the ideal fuel, he felt that the future offers unlimited promise for continued expansion and accomplishment.

TECHNICAL



C. S. Goldsmith

RESIDENTIAL GAS



Wallace M. Chamberlain

PUB. AND ADVERTISING



E. M. Tharp



H. Carl Wolf  
Managing Director A.G.A.

Warren Whitney, James B. Clow & Sons, Birmingham, Ala., read a paper titled "Human Relations—Today's Management Challenge," and N. T. Sellman, Chairman, Time and Place Committee on 1947 Annual

Convention, presented its report and recommended that the 1947 Annual Meeting be held in San Francisco, Calif., Sept. 29th to October 3rd, which was approved.



Meeting of Promotional Committee, American Gas Association, held at Atlantic City, October 10. At the head of the table are D. A. Hulcy of Dallas, chairman, who presided, and John H. White, Jr., director of promotion, A.G.A.

## Manufactured Gas Department

**T**HE Manufactured Gas Department held but one meeting, Oct. 7th. The Chairman of the Department, Col. Hudson W. Reed, President, The Philadelphia Gas Works Co., presided. In his opening remarks, Col. Reed said:

"To those who are not familiar with the scope of this Department, let me state that the Constitution of the Association, as amended, effective January 4, 1944, states that subject to the direction of the Executive Board the Manufactured Gas Department shall have jurisdiction over all matters relating to production, transmission, distribution, utilization and sale of manufactured gas.

"In these days when there is a definite upswing in the sales and use of manufactured gas, many problems have arisen to confront our group that were absent during the years when our business was more or less static.

"With these new conditions in mind, a program has been arranged that we feel will be beneficial to a large number of our group.

"Aside from rates necessary to permit an adequate return during these days of rapidly increasing costs, I believe the next important problem we must face to meet the growing demands for gas is the expansion of our generating plants. To those of you who face this condition we are supplementing the very important work carried on by the Gas Production Research Committee, aided by its Technical Advisory Committee, by bringing to you accredited representatives of the coal, oil, liquefied

petroleum and the natural gas industries who must furnish us with the supplies and materials required for our present and future generating plants.

"Supplementing this feature of our program, we bring to you an address on the necessity of constant research—a must—if you are to receive full value for your capital expenditures. Last, but very important, an address on the requirements necessary for adequately financing your expansion programs."

After the election of Managing Committee members, a symposium on the "Future Raw Materials for Manufactured and Mixed Gas Utilities" took place.

**Coal**—William Roberts Cameron, Vice President, General Coals Corp., Philadelphia, Pa.

**Oil**—A. J. McIntosh, Chief Domestic Economist, The Socony-Vacuum Oil Co., Inc., New York, N. Y.

**Liquefied Petroleum Gas**—Geo. R. Benz, Manager, Chemical Products Dept., Phillips Petroleum Co., Bartlesville, Okla.

**Natural Gas**—Gardiner Symonds, President Tennessee Gas and Transmission Co., Houston, Texas.

Mr. Cameron, in discussing the coal situation, stated:

"The gas industry used about 95 million tons of high grade Appalachian coal in 1945. Coal stocks in utilities are at a low point, lower than at any time during the war—this situation should improve as more

cars become available for shipping high quality coal.

"Production per man day has increased from 2.56 tons in 1890 to 5.67 tons in 1940. Improvements in equipment and operations are constantly being made and as demand eases, due to better supply, the higher quality coals will become an increased proportion of the coals available. Strip mining has increased from a production of 30 million tons per year before the war to 100 million tons in 1945. This source of supply will probably decrease, except for the better grades, as the market becomes more nearly saturated and buyers can select the coal desired.

"The cost of coal is governed by the fact that 60-65% of the cost is direct labor costs, so that future price is, in a large degree, dependent upon the future labor costs. Mr. Cameron predicted a gradual improvement in quality and quantity of coal available for the market."

Mr. McIntosh gave a very complete over-all picture of future gas enrichment oils, how much gas oil may be required and whether those quantities will be available, and what kind of oil will be provided.

Several tables were shown, giving the consumption of light and heavy gas enrichment oils used in the manufactured gas industry in eight sections of the country.

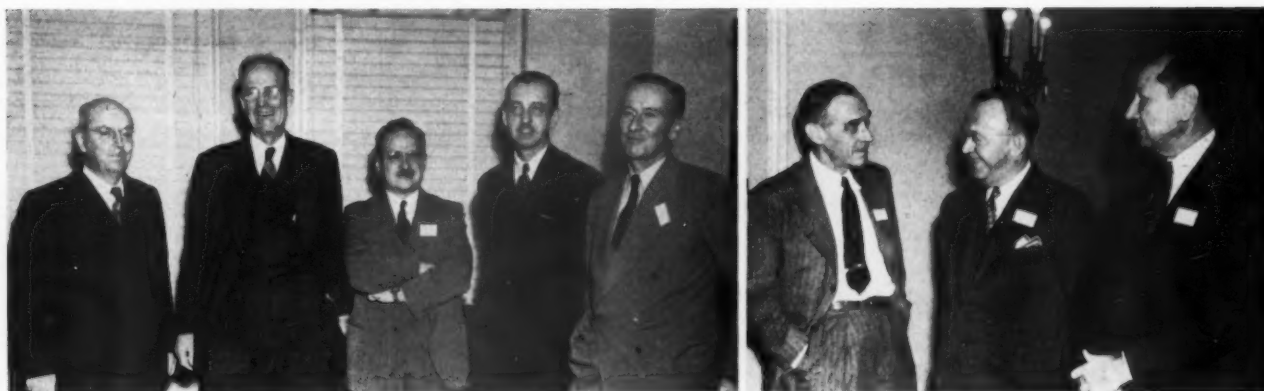
Summarizing the outlook for the future for the requirements of gas enrichment oils, Mr. McIntosh said: "We think there will be a steady growth in this market at a much lower rate than has been over the



Left Group: Left to right: Edwin L. Hall, A.G.A. Staff, E. G. Boyer, Philadelphia Electric Co., Philadelphia, Pa.; F. T. Parks, Public Service Co. of Colorado, Denver, Colorado.



Right Group: Left to right: C. S. Stackpole, Consolidated Gas Electric Light & Power Co. of Baltimore, Baltimore, Md.; J. J. Quinn, Boston Consolidated Gas Co., Boston, Mass.; Wallace M. Chamberlain, Michigan Consolidated Gas Co., Grand Rapids, Mich.



Left Group: J. G. Sweeney, The Brooklyn Union Gas Co.; R. Van Vliet, New York & Richmond Gas Co., Stapleton, S. I., N. Y.; T. N. Spencer, Central Indiana Gas Co., Muncie, Ind.; Dr. C. W. Wilson, Consolidated Gas Electric Light & Power Co. of Baltimore, Baltimore, Md.; W. R. Fraser, Michigan Consolidated Gas Co., Detroit.

Right Group: Harry Jeffs, Queens Borough Gas & Electric Co.; E. F. Embree (Chairman-Acct. Section, American Gas Association) New Haven Gas Light Co., New Haven, Conn., and I. M. Avent, United Gas Corp., Shreveport, La.

past 10 years. There is every indication that because of the relatively small part that these gas oils play in the market for all similar petroleum products, that the petroleum industry will not have any trouble in supplying sufficient quantities of these selected products, provided that the proper prices are maintained as against somewhat similar products."

Mr. Benz discussed the production, transportation and supply of L.P. gas, and summarized the outlook as follows:

1. An adequate supply of products appears to be available for anticipated developments. Those large consumers that have sufficient flexibility to permit use of propane or butane will be in a preferred position.
2. Transportation facilities are expected to keep abreast of requirements, neglecting this winter's expected "pinch" due to delays in delivery of new tank cars. Except in a few special cases where pipe line or barge movement can be utilized, transportation costs are expected to be as high or higher than at present.
3. Prices should remain firm but increases should be consistent with the changes in cost of other fuels. Buyers that are in a position to take delivery of their annual requirements or a major portion thereof in the spring and summer should be able to buy at the lowest prices.

Mr. Symonds told about the adequate reserves of natural gas. Referring to rates, he said:

"A rate making agency may, by beating down prices, save the city housewife ten cents a month on her bill, yet by that same action it has taken from the producer the incentive to save his waste gas and the net re-

sult is the loss of many dollars worth of valuable gas.

"Gas distribution is so closely regulated that there is no danger of runaway prices," Mr. Symonds believes. "Besides this, so long as the American economy is competitive, coal, oil and other fuels will act as a ceiling

to prevent gas prices reaching a point above the level of true values."

The paper "The Financial Outlook for Manufactured and Mixed Gas Utilities," is printed in full in this issue of the Journal.

Col. Reed continues as Chairman of the Manufactured Gas Department.



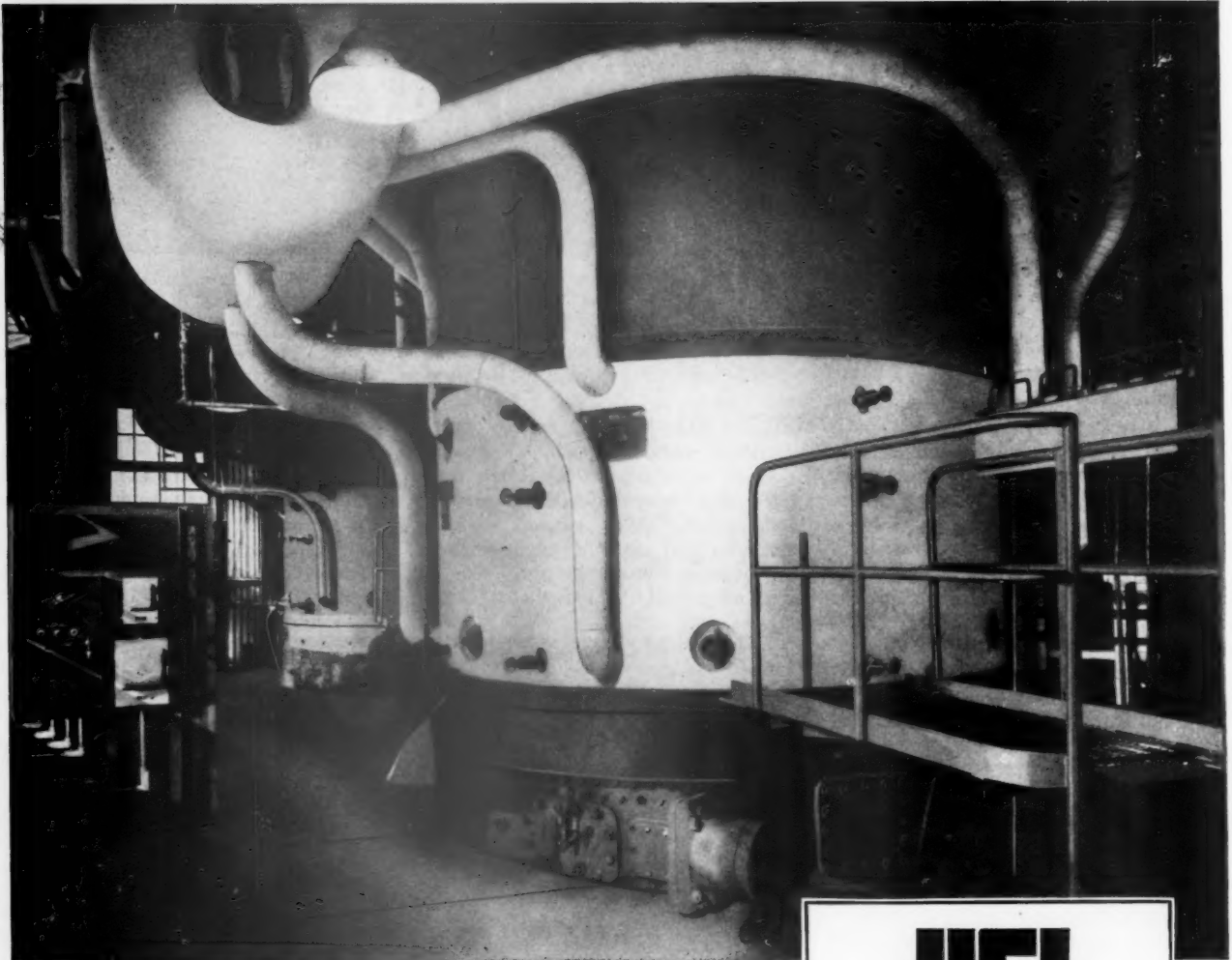
#### TWO GROUPS FROM EAST AND WEST,—NORTH AND SOUTH

Upper Group: Left to right: Alan Harris, Winnipeg Electric Co., Manitoba, Canada; B. V. Pfeiffer, United Gas Improvement Co., Philadelphia, Pa.; W. Reed Morris, Koppers Co., Kearny, N. J.; Stuart Cooper, Pres., Delaware Power & Light Co., Wilmington; A. J. Gonnoud, Pres. Kings Co. Lighting Co., Brooklyn, N. Y.; Robert E. Ramsay, Pres., New Haven Gas Light Co., New Haven, Conn.; George T. Macbeth, Bronxville, N. Y.; Dr. A. R. Powell, Koppers Co., Pittsburgh, Pa.

Lower Group: Left to right: A. C. Cherry, Cincinnati Gas & Electric Co., Cincinnati, Ohio; C. S. Goldsmith, The Brooklyn Union Gas Co., Brooklyn, N. Y.; E. J. Boothby, Washington Gas Light Co., Washington, D. C.; R. H. Hargrove, United Gas Pipe Line Co., Shreveport, La.; Col. H. W. Reed, The Philadelphia Gas Works Co., Philadelphia, Pa.; L. J. Eck, Minneapolis Gas Light Co., Minneapolis, Minnesota.



## U. G. I. MODEL "D" MECHANICAL GENERATOR



U. G. I. Mechanical Generator Sets at Philadelphia, Pa.

**UNITED ENGINEERS** provides you with UGI-designed apparatus which gives high efficiency, high capacity, and ease and flexibility of operation to economically meet the plant needs with the fuels available for use.

**UNITED ENGINEERS** provides you with an organization experienced in all of the problems of present day construction to design, construct and place into operation the facilities necessary for gas plant expansion.



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United has over 50 years experience in gas plant design.

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United has pioneered major developments in water and coal gas production.

#### ECONOMICAL CONSTRUCTION

United has large well organized forces for gas plant and general construction work.

#### EXPERIENCE IN OPERATION

United has experienced plant operators for securing most efficient results.

# UNITED ENGINEERS & CONSTRUCTORS INC

NEW YORK PHILADELPHIA CHICAGO



# The Financial Outlook for the Manufactured Gas Industry

By

**William W. Bodine**

Financial Vice President

The Penn Mutual Life Insurance Co.  
Philadelphia, Pa.

**B**EFORE getting into the meat of my talk (if such it has), I want to qualify the title as written in the program. I would prefer to "talk" to you informally from these notes and try to answer any questions you may have. Second, though the title is "The Financial Outlook for the Manufactured Gas Industry," because of my background and present duties and because of the importance of the matter, I feel I can be of greater help in talking about "The Outlook for Financing the Manufactured Gas Industry." As you gentlemen doubtless realize, the industry in the eyes of some institutional investors and financial commentators has during recent years, if not been under a cloud, at least not been looked upon with as bright a light of optimism as has shone upon the electric utility business and the telephone business. Like those two industries, however, the manufactured gas industry requires large funds for productive plants involving advance planning and commitment, and since these funds must be raised in the market place for money it is important for you to show off the industry in the best possible light. Adequate financing at reasonable cost is essential to you if you are to maintain (or attain, if still on the way) your ideal of the best possible service at the lowest possible cost to the consumer. What I shall try to do is to show you how to educate potential investors, so that they will not only be free from past prejudices but also will greet offerings from your industry in a properly receptive frame of mind.

You are all familiar with market surveys—many of you have made them—but I fear you think of them only in terms of the sale of your product. How much detailed thought has been given to the question, "How can I best finance the facilities requisite to the market goal I hope to reach in the next several years?" or is it an after thought? Do you wait until your immediate program is set and then say to your financial advisers, "How can this be financed?" or to your underwriters (in the case of competitive bidding, the under-



William W. Bodine

writing fraternity), "on what basis and conditions will you purchase blank dollars of bonds or stock?" Again I fear that is too often the case.

Just as in your operations you are in competition with electricity, with coal, oil, and other fuels, for the consumer's dollar, so you are in competition with other industries for the investor's dollar. Therefore, the investor as well as the consumer needs to be cultivated and educated.

## The Investor's Viewpoint

Let us analyze some of the thinking of the investor. I do not pretend to analyze the passing whims or vagaries of the individual investor, but rather the processes of mind of those responsible as trustees for the investment of substantial aggregate sums of money entrusted to their care by hundreds of thousands or millions of individuals. Do they say, "I like, or I don't like, this, that or the other industry or business" and let it go at that? Some do, but they should not. They should, of course, and do analyze each industry, its past, present and prospects for the future. But that is not enough. Each industry has

its ups, its downs, its cycles. Some die, but there is far more mortality within an industry than of an industry. Each unit within an industry must be studied—its markets, its competitive situation if there be such and there generally is, its past record and practices, financial as well as operating, its standing in the community, its labor relations, and many other factors—all of which can be summed up in one word—"Management." Financial management is just as important a segment of the whole as are any of the others.

Let me repeat that while you have a commodity and a service to sell, your operations must be financed, and in the public utilities and heavy industries, that means new capital. With earnings limited to a fair return (whatever may be the current concept of that phrase), it is not possible, or if possible, not fair to your stockholders, to finance capital requirements exclusively out of operations. You *must* sell securities and you *should* continuously cultivate that market. You should tell me, as an investor, that in your opinion the long term outlook for the manufactured gas industry is at least reasonably satisfactory; then you should prove your statement or counter my skepticism by assuring me—

1st—That while sales and revenues declined for a number of years after 1930, by 1939 or 1940 this trend was definitely reversed and reached a peak in 1945.

2nd—That the further successful promotion of the use of manufactured gas for househeating purposes will probably continue this upward movement in the postwar period.

3rd—That while in the househeating field the industry will continue to meet strong competition from coal and oil, increased prices of these fuels has and may well continue to better the competitive position of manufactured gas if no important increases in rates are required—that to date none has been requested.

I would expect to ask you, "Can the gas industry maintain its position as a producer of fuel for cooking and waterheating against electricity?" and I would expect you to answer that as more equipment becomes available, an intensive drive to expand the use of this convenient fuel will be undertaken by the manufac-

tured gas industry. Then I would make a note on my pad that that was a statement for me to check with other sources. As a matter of fact, if I do not happen to know the answers already, I will check with other sources every statement that you make despite the fact that I know you to be an honest man. You would not be a successful gas man if you did not recognize the past accomplishments of the industry and believe in its future.

### Rising Costs

I would expect you to state frankly that the industry is faced with a rising trend of fuel and labor costs; that fuel is particularly important but that many companies have improved their plant facilities by installing new equipment or remodeling their old equipment to partially offset higher operating costs. I should be told that the American Gas Association is now carrying on extensive research work for the purpose of developing new processes which should reduce production costs. I would no doubt ask you whether your company was in a locality where a changeover from manufactured to natural gas might be a future prospect on a basis advantageous for the opening up of new sales outlets at promotional rates.

Again, if I am qualified for my job, I would know that operating results within an industry would vary with the economy of the area covered; that companies serving highly industrialized territories and with high industrial loads would be expected to show temporary declines from war peak sales, but that revenues might well increase with the gradual expansion of residential and commercial business. I would want to inquire as to that with respect to your company, and I would want to examine the distribution of your business as between classifications, the rate schedules, usages, revenues per meter, and many other items that you might consider extraneous because you know your business. I do not, and you must remember that your job is to educate me. Then would come a physical examination of your property to pass upon engineering and operating matters.

### Low Cost of Money

But enough of that—let us return to the general problem. We all know that the cost of money is an important part of the over-all cost of the service rendered by a manufactured gas company, just as it is with other companies providing utility service;

that costs of materials and labor today are higher than ever and continue to rise,—but you should know that money is available to the utilities today at about the lowest cost in history, and that that is true of the manufactured gas companies.

On the one hand stands the investor, who wants an adequate return for the risk he assumes. On the other hand stands the company, which wants its money on the most advantageous terms. There is a common meeting ground to be found. The cost, of course, is largely dependent upon the credit of the company and the type of security sold—debt, preferred stock or common stock. Our present corporation income tax laws provide a distinct advantage for debt financing, as interest is an allowable deduction in determining the amount of income subject to taxation. As a consequence, the preponderance of utility financing in recent years has been in the form of debt. Preferred and common stock financing for manufactured gas companies has been of relatively small proportions,—in fact, I can recollect only two small issues of new common stock of straight manufactured gas companies having been offered in recent years. There have been only two recent preferred stock offerings that I know of.

### Stamina of the Industry

While debt financing seems to be the order of the day and does offer certain present advantages provided the company has adequate coverages both from an asset and earnings standpoint, please do not think that I am an advocate of debt. There can be no surer way to close the door to preferred or equity financing than over-extension of long term debt, particularly without adequate amortization. Witness the railroads, and even some of our friends in the electric light and power business. In this respect it has always seemed to me that the gas industry has had a great advantage in that it was old, wise and seasoned, has lived through a century of ups and downs, of booms and depressions, and learned well the importance of watching the almighty dollar. Extravagance has been notable by its absence; conservatism is shown by the record. In this connection, look at the recent study by Robert E. Ginna, Vice President, Rochester Gas and Electric Corporation, titled "Pertinent Financial Yardsticks of Gas and Electric Operating Utilities 1938-1944," from which we can draw the following conclusions as to straight manufactured gas companies compared to straight electric,

combination, and natural or mixed gas companies.

1. While they have the lowest ratio of gross income to gross revenue, their earnings show marked stability.
2. The levels of rates of return indicate a low exposure to adverse regulatory action.
3. The ratio of fixed capital to gross revenue is low.
4. Depreciation reserves in relation to fixed capital are high.
5. While the percentage of gross revenue available for common stock is low the marked stability of the straight manufactured gas business is again indicated.
6. Straight manufactured gas companies pay out in dividends only a little over one-half of their net income available for common stock.

My conclusion, then, is that as a whole the manufactured gas companies pursue conservative financial policies, have a reasonably satisfactory outlook, and should be able to continue to raise new money, whenever required, at a cost comparing favorably with that obtained by their competitors.

In substantiation, let me quote a few figures covering recent straight manufactured gas company financing:

The Bridgeport Gas Light Company—a private sale to two insurance companies and one bank of \$800,000 30-year 2¾% General and Refunding Collateral Trust Bonds, to yield 2.70%.

The Brockton Gas Light Company—a private sale of \$705,000 10-year 3¼% Registered Notes.

Brooklyn Union Gas Company—\$34,000,000 30-year 2⅞% General Mortgage Bonds, offered to the public to yield 2.73%.

The Harrisburg Gas Company—\$2,200,000 25-year 2⅝% First Mortgage Bonds, offered to the public to yield 2.48%.

Lynchburg Gas Company—a private sale of \$450,000 25-year 3¼% First Mortgage Bonds.

Portland Gas & Coke Company—\$10,000,000 30-year 3⅛% First Mortgage Bonds, offered to the public to yield 3.05%.

Seattle Gas Company—\$4,800,000 30-year 3⅝% First Mortgage Bonds, offered to the public to yield 3.50%.

The Tampa Gas Company—a private sale to an insurance company of \$3,000,000 30-year 3½% First Mortgage Bonds, to yield 3.33%, and \$1,200,000 13-year 3½% Notes, to yield 3.50%.

(Continued on page 58)

## NATURAL GAS DEPARTMENT

CHAIRMAN, R. H. Hargrove, in opening the Natural Gas Department on Monday morning, reviewed the activities of the department, and concluded with the statement that "The Natural Gas Industry is in an era of great expansion. Banks, insurance companies and financial institutions of all kinds are looking upon our securities with more favor. We are rapidly winning greater public confidence and we should cherish and protect it by a resolve on our part to give better service at less cost for a greater public acceptance. That is the product of enlightened management in a unified industry, an industry which must achieve and maintain a national viewpoint. Let all of us strive to merit the growing public confidence being placed in us."

"A New Research Project—Pipe Line Flow," was a report presented by C. H. M. Burnham, Chairman, Pipe Line Flow Subcommittee.

Mr. Burnham stated that: "There are probably as many as fifteen different high pressure flow formulas in use today by the industry—and unless some semblance of standardization of computing gas flow problems is accomplished soon, doubtless, there will be even more formulas with their accompanying variations in flow computations.

"It is proposed to examine and compare these formulas, including all available published material on this subject, both data and theory, and also, to circularize the members of the American Gas Association to obtain additional data used by the industry, which have not been pub-

lished. The material thus obtained will be correlated with published data, in order to evaluate the research which will be needed to test the various theories, and to provide suggestions for new approaches to the problem."

Charles I. Francis, attorney, Houston, Texas, stated that "the problem confronting the Natural Gas Industry,—a problem which vitally affects all of those engaged in the production of either oil or gas,—is to secure from the Congress of the United States appropriate clarifying amendments to the Natural Gas Act in order that this legislation shall conform to the original *intent* of the Congress, as such was generally understood by Industry when the law was enacted in 1938. Those familiar with the history of this legislation understood that the Federal Government would occupy an area over

which State control was ineffective,—the interstate transmission of gas for resale. It was never thought that the language of this Act would be interpreted by the Commission and the Courts in such a way as to authorize, directly or indirectly, control over any phase of conservation, production and gathering of gas, or direct sale thereof to consumers. A recent decision by the United States Circuit Court of Appeals, Fifth Circuit, confirms the Federal Power Commission's jurisdiction in an area which originally was thought to be subject only to the jurisdiction of the State:—field sales made by Interstate Natural Gas Company from its field pipe line system to Southern Natural, Mississippi River Fuel Corporation, and Memphis Natural. These field sales constituted a separate and distinct activity from the trunk pipe line operation, but the Court's opinion upholds the Commission's regulation thereof.

"The Natural Gas Investigation of



(Reading left to right) Chas. E. Bennett, Pres. The Manufacturers Light & Heat Co., Pittsburgh, Pa.; J. French Robinson, Pres. The East Ohio Gas Company, Cleveland, Ohio; D. A. Hulcy, Pres., Lone Star Gas Co., Dallas, Texas



Left Group: Left to right: S. Green, The Brooklyn Union Gas Co.; H. W. Nicholson, Public Service Electric & Gas Co., Newark, N. J.; E. L. Sweeney, Boston Consolidated Gas Company, Everett, Mass.



Right Group: Left to right: Capt. E. S. Pettyjohn, Institute of Gas Technology, Chicago; J. H. Collins, New Orleans Public Service, Inc., New Orleans, La.; C. H. Waring, Vice Pres. Wyandotte County Gas Co., Kansas City, Kansas; R. G. Griswold, Pres., Electric Advisers, Inc., New York, N. Y.



the Federal Power Commission has now been completed. It has been a most comprehensive one. Briefs of the evidence, accompanied by legislative recommendation, must be filed by October 1, 1946; and the Commission has assured the Industry that it will not submit to the Congress any report or recommendations until after such have first been submitted to the

parties participating in this hearing for their criticisms and suggestions. Our Industry should be prepared to present an united front in sponsoring legislation which will restore the Natural Gas Act to the original concept of its sponsors."

Robert W. Hendee, President, Colorado Interstate Gas Co., was elected Chairman of the Department.

In a symposium on meeting gas loads, "Canadian Practice" was presented by R. L. Bevan, Chief Engineer, Union Gas Co., Chatham, Ont., and "Chicago Experience," by John J. Novy, The Peoples Gas Light & Coke Co., Chicago. Copies of these papers may be had from A.G.A.

## TECHNICAL SECTION

**I**N this section, L. J. Eck, Chairman, opened the first session Tuesday, Oct. 8th.

The first paper was presented by E. G. Boyer, Manager, Gas Department, Philadelphia Electric Co. on "Economic Production for Gas

Loads Ahead." Mr. Boyer noted the changes and progress of manufactured gas for the past 25 years, and discussed all phases, of peak load problems, L.P. gas enrichment, and made suggestions, based on his experience, on the various methods referred to.



AT MEETING OF THE TECHNICAL SECTION

Left to right: C. S. Goldsmith, The Brooklyn Union Gas Co., Brooklyn, N. Y.; L. E. Knowlton, Providence Gas Co., Providence, R. I.; L. J. Eck, Minneapolis Gas Light Co., Minneapolis, Minnesota.



Left to right: J. D. von Maur, Consumers Gas Company of Toronto, Toronto, Canada; H. Bruce Anderson, The Philadelphia Gas Works Co., Philadelphia, Pa.

## Committee Reports Presented

At the remaining sessions of the Technical Section, the following reports were presented:

Distribution Committee, T. H. Kendall, Chairman; Pipe Coatings and Corrosion Research Committee R. F. Hadley, Chairman; Distribution Maintenance Work in Small Street Openings, Elmer F. Schuldt, The Peoples Gas Light & Coke Co.; Motor Vehicle Committee, S. G. Page, Chairman; Gas Production Committee, R. Van Vliet, Chairman; Selecting and Training Service Personnel, T. J. Perry, Chairman; Chemical Committee, Dr. C. W. Wilson, Chairman; Gas Conditioning Committee, H. D. Lehman, Chairman; and Interchangeability of Gases, W. R. Fraser, Past Chairman and J. F. Anthes, Chairman.

All reports are available at A.G.A. headquarters.

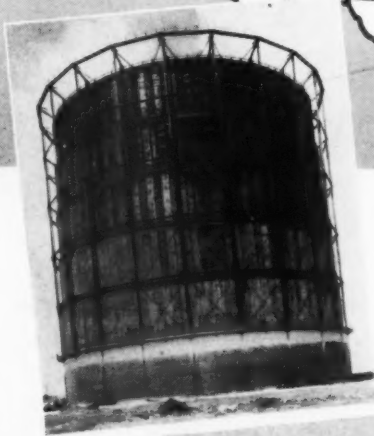


E. Crowther, Gen. Mgr. and Chief Engineer, Newcastle-Upon-Tyne & Gateshead Gas Co. Also Vice-Pres., The Institution of Gas Engineers.



# 51

## 100,000 to 10,000,000 CU. FT. ALL-WELDED GAS HOLDERS



Largest all-welded, wet seal gas holder in the United States—5,000,000 cu. ft. capacity. Installed by Stacey Brothers Gas Construction Company at Long Beach, California.



Largest all-welded, dry seal gas holder in the United States—10,000,000 cu. ft. capacity. Installed by Stacey Brothers Gas Construction Co., at Dearborn, Michigan.

Who built the largest all-welded, panel type gas holder in your vicinity?

Chances are, the answer is *Stacey Brothers Gas Construction Company*.

We say "chances are", because we've built *more than 60,000,000 cubic feet of holder capacity*. The largest of these installations—100,000 to 10,000,000 cubic feet—are shown on the map. Note, particularly, how many of them have been repeat orders. In addition to these big ones, we've designed and constructed many, many smaller ones—even down to 100 cubic feet.

You have only to make a personal inspection trip to any one of these installations and you'll know why Stacey Brothers has been the choice of so many operators. You'll see a holder that's not only good to look at—it's even better to operate! A mechanically round structure, free of unsightly deformations, is one clue to trouble-free, dependable, *economical* operation.

Since we first introduced the famous patented all-welded, panel type construction in this country we've had more experience in building all-welded holders than any other company. You can capitalize on that experience.

May we arrange an inspection trip for you?

STACEY BROTHERS GAS CONSTRUCTION CO.  
*One of the Dresser Industries*  
5535 VINE STREET CINCINNATI 16, OHIO

# Stacey Brothers

**ALL-WELDED GAS HOLDERS**

**Before Buying Your NEW RANGE**

make sure you have the famous HARPER CENTER SIMMER BURNERS

Harper Center Simmer Burners are superior to all other top burners because each Harper burner is really 2 burners in 1. As shown in diagram, the big outer burner brings foods to a quick boil. Turn handle until it "clicks" and the big burner goes out, leaving only the small, economical inner burner to finish the cooking.

Only the separate Harper Center Simmer gives you the controlled low heats you need to keep foods warm for serving, dry... eliminate pot watching and boiling, dry... so allow cooking with little water, which saves time and gas and keeps the average kitchen 9 degrees cooler. Only the Harper separate Center Simmer can help you to match in your cooking.

Install on Harper Burner Equipped

18 Leading Gas Ranges are Harper Equipped

**2 BURNERS IN 1**

BOTH BURNERS ON

OUTER BURNER TURNS OFF INNER BURNER STAYS LIT

HARPER-WYMAN COMPANY, CHICAGO 20

**Range buyers read about the new, improved HARPER CENTER SIMMER BURNER in these powerful selling magazines**

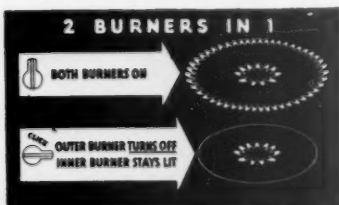


"Word-of-mouth" advertising in the past sold more than a million and a half gas ranges equipped with the Harper Center Simmer Burner. And now, for the first time, we are telling your customers about this famous top burner, using the leading national magazines shown here. It means that some 21,500,000 women readers will know how to identify Harper equipped ranges.

It's easy to trade-up your customers to a higher priced range by *demonstrating* the many advantages of the Harper Center Simmer Burner...the "2 burn-

ers in 1" top burner that gives just the right heat for every cooking requirement. The measured heat of the Cooking Burner eliminates "pot-watching"... keeps kitchens cooler... requires so little water that vital minerals and vitamins are always retained, making foods tastier, more nutritious.

To help you sell more, and *better* ranges, we have prepared a FREE booklet, "How to Sell More Gas Ranges," which contains a series of quick, convincing floor demonstrations planned to dramatize the advantages of the modern gas range. Send for copies for your salesmen. Harper-Wyman Company, 8562 Vincennes Avenue, Chicago 20, Ill.



The Harper Center Simmer Burner operates on the unique principle of "2 burners in 1"...a **STARTING BURNER** for frying and to start foods boiling, plus a small, economical **COOKING BURNER**, to maintain the cooking...both controlled by the same handle. It is subject to finer gradations of low heats—greater control and economy—than any other top burner made.



"... Holds the Lines for Gas"

**HARPER CENTER SIMMER BURNER**

## RESIDENTIAL GAS SECTION

**T**HE first meeting was held Oct. 9th. J. J. Quinn, General Sales Manager, Boston Consolidated Gas Co., Boston, and Chairman of the section, presided.

R. E. Williams, who is chairman of the Committee on Selection and Training of Sales Personnel, acted as narrator at the performance given by the Cuthrell Players. The Cuthrell Players are from the Brooklyn Union Gas Company. Their program consisted of two humorous skits showing how "not to sell," entitled "Know Sales or No Sale." They were offered in connection with the sales training program offered by A.G.A.

In the opening scene, T. B. J.

"Dreams Don't Come True." Mr. Potter enumerated his observations in his many contacts throughout the industry, and in closing, stated: "Let me say that a recent survey by the Office of Civilian Requirements indicates an immediate market, as expressed by customers, for 4,300,000 washers, 3,800,000 refrigerators, 3,200,000 ranges and 800,000 water heaters. All of these have an immediate bearing upon our future load; and well trained and alert salesmen, backed up by a program that has vision and enthusiasm, will guarantee us results. So let's mix up a simple recipe. To prove our point we will take 2 parts of vision that sees the



J. J. Quinn  
General Sales Manager  
Boston Consolidated Gas Co.



At the luncheon meeting of the Residential Gas Section's Managing Committee, Atlantic City, October 9.

Co., Kansas City, Mo. The 4th zone is a small steam oven which may be incorporated into the original construction of a gas range. At the conclusion of his paper, he presented Miss Colleen Fowler, Home Service Director of the Kansas City Gas Co. to demonstrate the steam oven.

Elmer W. Cone, Ruud Mfg. Co., presented a paper on "Cold Cash for Hotwater," and H. S. Christman, Sales Manager, The Philadelphia Gas Works Co., was narrator of a second skit by the Cuthrell Players.

Merkert acted the part of a sales manager for a gas appliance company, who had been spoiled by too many "easy" orders, and was very much annoyed when his assistant brought him another batch. The assistant suggested that they should look to the future and get salesmen trained because this "boom," this seller's market couldn't last.

In a later scene Mr. Merkert and his assistant, portrayed by Harold Coleman, found things had changed. The desk was bare of orders and they couldn't understand it. People were simply buying other gas appliances and not theirs. Eventually they decided to adopt a sales training program, for they discovered that you can't just go out and hire a good salesman.

H. Vinton Potter, Director, New Freedom Gas Kitchen Bureau, A.G.A., spoke on the subject

role gas can play in this bright new world of tomorrow; add 2 parts of alertness as manifested in well trained salesmen, and season it well by telling a good story of the mystery and magic and beauty and romance in that little blue GAS flame; add a generous portion of enthusiasm and stir them all together, and, after a short period of simmering, behold the miracle!"

E. Carl Sorby, vice president, Geo. D. Roper Corp., presented an unusual and inspiring talk on the subject, "From an Automatic Point of View."

The meeting on Oct. 10th was in charge of W. M. Chamberlain, vice chairman of the section.

"The Fourth Cooking Zone," was the title of a paper by C. C. Young, Research Engineer, The Gas Service



E. Carl Sorby looking in the crystal ball during his presentation of "From an Automatic Point of View" at the Residential Gas Session.



## Customer Activities Group

John H. W. Roper, Washington Gas Light Co., Washington, D. C., presided at the meeting of this session.

The first paper presented was "Zone Meter Reading—Its Relation to Office Routine," by G. E. Curtis, Ass't. Superintendent, Boston Consolidated Gas Co., Boston, Mass.

"Zone meter reading," said Mr. Curtis, "is a system of meter reading wherein the reading territory is divided into zones or areas, in which some meters are read every day. Any number of meter readers may read in a zone on any one day, but some meters are read in all zones each day. This is in contrast to district reading where all the readers work in one district, and read the entire district in one day.

### Knows Territory

"The principal point is that reading activity is carried on in all parts of the company territory each day," Mr. Curtis said, "and the advantages from a meter reading angle are:

1. "The meter reader may be assigned a definite territory and read the same territory each month, and thus become better acquainted with the location of the meters, the janitors and property owners in the territory. This acquaintance facilitates obtaining keys, particularly in the apartment house sections.

2. The reader has an opportunity to pick up missed readings on routes previously read because he is always reading in adjacent territory.

3. It is possible to cut the meter readers' travel time by taking into consideration their place of residence with relation to their assigned zone."

Another paper presented was "Improving Customer Relations Through Employee Training," by L. A. Horton, Auditor, St. Louis County Gas Co., Webster Groves, Mo.

Mr. Horton discussed the importance of training all groups of employees, whether they come in con-

tact with the customer or public or not. In conclusion, Mr. Horton said: "It is not too much to expect that our companies and our industry can be sold to the public when every employee from the newly hired laborer on up, knows his company, feels a part of it and radiates his personal interest among his acquaintances. Since our physical services are interpreted largely through our personal services,

they will be more highly valued when ever meter reader, cash teller and service man has been coached in the knack of making his or her business with each customer a symbol of our policies of courtesy and efficiency. Since customer complaints are a focal point in customer relations, every complaint will be a welcomed opportunity when our direct contact employees have been trained to displace suspicion and antagonism with confidence and respect."

## Employee Relations Forum

An interesting meeting on the important subject "Employee Relations," was held Oct. 7th, with Fred R. Rouch, Cincinnati, Chairman of the A.G.A. Personnel Committee, presiding.

"Management's Stake in Collective Bargaining," was the title of a paper presented by Dr. George W. Taylor, Professor of Industry, The Wharton School of Finance & Commerce, University of Pennsylvania, Philadelphia, Pa.

Dr. Taylor stated that the evaluation of voluntary arbitration procedures by labor and by management would seem to be a "must" in the public utility field. He stated that no more important subject is before collective bargaining in the public utility field than the devising of mu-

tually acceptable arbitration or fact-finding procedures which will peacefully resolve differences not composed directly by agreements. In the public utility field, collective bargaining should include a primary attention to procedures to insure that an impasse will not result in a work stoppage.

C. B. Boulet, Director of Personnel, Wisconsin Public Service Corp., Milwaukee, Wis., presented "A Program of Labor Peace," which is printed in full in this issue of the Journal.

Another paper was "Better Relations through Better Information," by W. H. Senyard, Personnel Director, Louisiana Power & Light Co., New Orleans, La.

Left to right: T. S. Lever, The Philadelphia Gas Works Co.; Hudson W. Reed, vice-president, American Gas Association, and president, The Philadelphia Gas Works Co.; Clifford E. Paige, president, The Brooklyn Union Gas Co., and past president of A.G.A.





# Consolidated scores again...

... with this high efficiency



## GAS CONVERSION BURNER

Shipments on this amazingly efficient new Consolidated Gas Conversion Burner began shortly before its presentation at the AGA convention at Atlantic City. Its two available upfire-type models, for domestic furnace and boiler applications, signal the entry into the gas heating field of one of America's fastest-growing, most brilliantly staffed organizations . . . Consolidated Industries, Inc.

Three of America's greatest gas utility companies have just reported that this new Consolidated Gas Burner has shown, under their own tests, a degree of efficiency as high or higher than any burner ever tested by them! It also sets new standards in compactness of design, ease of installation, and freedom from service worries.

Other Consolidated burner models will soon be coming off the production line. As products of the most sales-minded organization in home and industrial heating today, they will have the same saleable features that are giving leadership to all Consolidated automatic heating products.

Available franchises are bringing to alert dealers a program of products and sales helps for year 'round profits. If you are a dealer who would like to be in on the "ground-floor", write, wire or 'phone us today.

*Available Now!*

### SIX OF THE MANY FEATURES OF THIS AMAZING BURNER

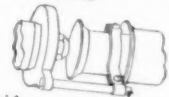


"Hold Flame" Burner Head is highly efficient, quiet, very flexible in regard to rates of gas flow and types of gas. Made of die formed stainless steel for long life.

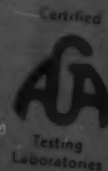
Flame Deflector



directs flames at proper angle for maximum scrubbing action of flames and hot gases on firebox walls, increasing heat absorbing efficiency of installation. Lower part of deflector made of durable 22 gauge stainless steel.



Air-Gas Mixture. Total air enters through adjustable sliding shutters in burner cover. Primary air adjusted by sliding shutter inside venturi tube to chosen position facing orifice in manifold. All shutters lock in place. Venturi tube, in which gas expands and mixes with air, is made of heavy gauge, corrosion resistant metal whose smooth surface, combined with tube's scientifically designed taper, permits maximum efficiency of air entrainment and mixture with gas. It is rigidly supported in correct alignment with gas orifice by means of support rods from manifold casting.



# CONSOLIDATED INDUSTRIES, INC.

LAFAYETTE, INDIANA

Manufacturers of Automatic Heating and Low Temperature Freezing Products for Home and Industry

# A Program for Labor Peace

By

**C. B. Boulet**

Director of Personnel  
Wisconsin Public Service Corporation  
Milwaukee, Wisconsin

**T**HE VERY FACT of personnel problems being scheduled for discussion at this 1946 meeting of the American Gas Association indicates a recognition of the vital importance of these problems. It is hardly necessary for me to tell you that management has come to realize that in these times there is nothing in the operation of their companies which has a greater influence on the prosperity, public relations and efficiency of operations as the problem of maintaining a sound basis for co-operation between management and labor. Each of you, I am sure, recognizes the problems and each of you is desirous of eliminating the causes of the difficulties, rather than having these difficulties again listed for you. If there is anyone in this audience who knows nothing of labor problems and is not interested in the solution because he has no such problems, he is indeed unusual and fortunate.

There are certain fallacies on which labor relations are sometimes built and it is wise to dispose of these fallacies before attempting to develop a program of sound relationships.

The first of these fallacies is the idea that legislation will cure all present evils. This is a ridiculous assumption. In any case, if the American way of life is to continue, we ought to steer as clear of attempting such a solution as we possibly can.

Secondly, the idea that if we returned to the "good old days," the days before the Wagner Act, the Fair Labor Standards Act, and other laws, that that would solve the problems which we now face, is fallacious. It is also an idle hope because we will never go back to the days in which labor was too often used unfairly and compensated inadequately. I doubt if any of us would want to go back to these so-called "good old days." In fact, it is directly because of practices that developed during those days that we now have many of the problems which must be solved.

I have no quarrel with those who feel much of the cause of bad feeling between labor and management is the result of shortsighted, selfish and unqualified labor leadership. Organized labor has a task before it;

*Address before 28th Annual Convention, American Gas Association, Atlantic City, N. J.*

the job of ridding itself of leadership that does not and has never had the ultimate welfare of the worker at heart.

We must not, however, assume a self-complacent, self-satisfied, "holier than thou" attitude. Let us not, in pointing to labor's faults, fail to see the beam in our own eye. Radical leadership must have fertile soil in which to plant its propaganda. Management must not provide that soil. The development of a relationship based on understanding and cooperation among all individuals working in a common enterprise will not lend itself to the germination of radicalism and discord. It is management's job to bring about that relationship.

I have been asked to attempt to outline a constructive program for sound labor relations in the public utility industry. I presume many companies have achieved and maintained over the years employe relationships of a friendly and enduring nature through the development of widely different programs. I do not maintain that the program I am suggesting is the only way to achieve good results, but I do believe that these suggestions represent a foundation upon which any program must be built. I think I can summarize for you a seven-point program, which in long term operation will produce a cooperative, understanding organization and will eliminate or reduce to a minimum problems incident to men working together in an industrial organization.

Before detailing these seven points that I want you to remember, it is necessary that we all understand that no sound employe relationship can possibly be built or endure unless underlying that program is a certain something that must come from top management. Any friendly feeling between employers and employes must begin with a sincere desire on the part of top management to treat employes as a whole, as well as individually, decently and fairly. Unless there is this sincere desire, and unless this foundation is furnished by top management, any attempt to build good will through



C. B. Boulet

proper wages, fringe benefits, or other rewards, is doomed to failure. There is no place in modern day industrial relations for the "foxy" manager who has an idea that he can outsmart his workers or their representatives through his cleverness. Abraham Lincoln's statement that "You can fool all of the people some of the time and some of the people all of the time, but not all of the people all of the time" is more true today than when he made that statement. The bad part of such an effort of deception or clever manipulating is the fact that the effort, when discovered, develops just the opposite kind of thinking in the minds of employes than that desired. Just as in erecting a building, the foundation on which sound employe thinking and cooperation is to be built must be solid. Without the solid foundation of honest, fair, sincere labor attitude, the entire structure of employe relationships will collapse.

Assuming that there is such a desire on the part of forward-looking management in any company, what else then is necessary or desirable in order to achieve the sound labor relations goal for which we are striving?

## The Program

First in this list of necessities for sound employe-employer relationships I am going to set down the atti-

tude of supervision. In order to indicate just what I mean by attitude of supervision, I am going to ask a few questions. First of all, do your supervisors, as representatives of management, show employees under their jurisdiction that the company wants to be fair? Have the supervisors thoroughly understood and properly interpreted the attitude of top management? Do they understand and carry out company policies, wage plans, and contracts? Have they individually maintained with the employees in their charge the friendly relationship that top management seeks? Are some of them little czars, completely out of tune with top management's policies and desires?

These are questions that every supervisor should ask himself and that top management should likewise ask supervisors, because if any supervisor fails in his responsibility to carry to employees the policies and desires of top management, then of course the employee cannot be cognizant of these policies and desires and they might just as well not have existed. The chief weakness of American management is the lack of systematic follow through. When policies and decisions are not applied consistently and in the manner intended, trouble and discord follow. American business has constantly said that supervisors represent management. Certainly we all agree that they are the most important link in the chain between policy-forming top management and the worker. It is for this reason that employees look upon the decisions and attitudes of their bosses as representative of the attitude of the officers of the company, and unless policies are understood and properly interpreted by supervision, the attitude of employees is apt to be antagonistic rather than friendly.

The job of seeing to it that supervisors do understand and apply company policies is a responsibility of management. That responsibility has not generally been recognized nor has it been fulfilled. It means that supervisors must have training and there must be a systematic method of following through so that every supervisor is fully acquainted with the desires, the hopes, the policies, and the aims of the top bosses of his company.

### Grievances

No. 2 on my list of necessities of a sound employe relations program is an adequate and smoothly functioning grievance procedure. Here again we have failed to recognize the fact that when any employe presents

a grievance, be it through his labor representative or directly to his "straw boss," the very fact that he has bothered to present it indicates that he believes it is important. There are few grievances presented which are fictitious. The employe who presents a grievance honestly feels that he is being treated unfairly, and the fact of unfair treatment has wrangled him to the point where he feels something should be done. To delay settlement of grievances or to ignore them or to call them foolish and ill advised does not solve this problem. Keep in mind that every fire that ever started, regardless of whether it caused a loss of 1000 or a million dollars, started from a very small flame. Likewise, many of the most important problems that have developed in industrial organizations between management and employes have had their inception in the mind of some grieved employe who did not have some simple matter taken care of when he first presented it. Much of the labor turnover today is not the result of more money, but rather the result of some grudge against the boss or the company, real or fancied.

I do not mean that every grievance must of necessity be settled in favor of the employe. It should be settled on the basis of fairness, not only to the employe complaining, but in its relationship to all other employes and to establish contractual requirements and company policies. What is necessary, and there can be no question about the necessity, is the provision for proper machinery and procedures to handle grievances expeditiously and thoroughly and give the employe or his representative a definite answer promptly. Here again, the supervisor is the key man and here again he must understand what to do and how to do it. Unless he recognizes that each grievance is a real one from the employe's standpoint and an important one, and unless he takes the necessary steps to correct the thinking on the part of the employe, he is headed for eventual trouble, and the company relationship with its employes will suffer.

Right here I would like to say just a word or two about the matter of human relationships. I think one of the factors over the past years which has led to the present upheaval in employe-employer relationships has been the fact that the thinking of American businessmen and industrialists, and the ingenuity of the best minds in America have been directed toward finance, engineering, and similar problems. There has not been recognition of the fact that there are stresses and strains in employe re-

lationships the same as there are in steel girders and cables. There has not been recognition of or attention to problems affecting the attitudes of employes. We have not recognized the fact that employes respond to certain conditions in much the same manner as materials respond. We must apply in our dealings with employes certain fundamental principles governing human reactions exactly the same as engineering principles are applied, or we will continue to have breaks and upheavals in the coming years which will be more serious than those we have witnessed.

### Proper Wage Rates

Third in the order of importance in this program to establish cooperation is the establishment of proper wage rates. This is a simple statement, but the problem is not a simple one. Certainly the setting of rates purely on the basis of personal opinion across the bargaining table is unsound and unscientific. The results of such a procedure will not long endure. Proper wage rates must take into consideration a number of factors, such as comparison of wages paid for various jobs within any company, giving consideration to the difficulty of the work involved, hazards, education, experience required, and other components of each job. The solution of this problem rests in a proper description of every job in the company and an analysis of each job. Following this, it means a careful job evaluation by men who are familiar with the aspects of the various jobs. Proper wage rates will also take into consideration the going rate for similar or comparable jobs in the community, as well as in the industry. Surveys have shown that employes generally are not primarily concerned with the absolute level of pay, providing that it is consistent with the pay of others doing like work within the company or others doing similar work within the community. Most people want to be treated fairly in comparison with their friends and co-workers. It is for this reason that the proper evaluation of jobs and the establishment of equitable wage rates is of vital importance and is an important part of any sound personnel program.

### Conditions of Work

Fourth in the order of importance I would place conditions of work. This covers a wide area. Employers are responsible, both from a legal and moral standpoint, for providing a safe and healthful place to work. Em-



ployees should also be provided with necessary equipment to do the work. Conditions of light, ventilation, etc., should be adequate. These things are quite self-evident, it seems to me, both from the standpoint of health of employes and efficiency and cost of the operation. There is, however, something beyond these physical items that is of just as great, if not greater importance than any or all of them.

I think the description of this condition is perhaps included in the word "atmosphere." It is something akin to "esprit de corps." It is something that a group under one supervisor has which is indicated by a spirit of co-operation, friendliness, and a smiling work group, as compared to another group where grumpiness, sourness, and antagonism seem to be the order of the day. The first atmosphere, which of course is the desirable atmosphere for contented employes and which psychologists say results in greater efficiency and higher production, is the result of leadership, rather than bossing. This atmosphere is created or not created within the group itself, and the responsibility must rest on the individual in charge of the group. Surveys of thousands of employes have shown that in many cases a group of employes has demanded a wage increase or has gone on strike, not because of inequities, but because of an antagonism against the bossing of their immediate superior.

While the responsibility for the creation of this atmosphere must rest with the supervisor, top management again has a place in the program. Good supervisors are both born and trained. Some supervisors are better than others without training, but all supervisors are better supervisors if they have had training, not only in production and in the mechanical and technical aspects of their job, but in the problem of human relationships. Management should see to it that supervisors do have such training and that they understand that a happy employe is an efficient and willing employe. The fellow who causes trouble is the fellow who goes around with a "sour puss" and tries to find something to gripe about. So number 4 necessity is a training program for supervisors, a sort of Dale Carnegie proposition.

### Employee Relationships

Fifth on the list of necessities in the program which I propose is the standardization of policies and practices as between groups and individuals. I am speaking now not of wages, but of those other things that enter into the employe relationships,

such as vacations, holidays, overtime pay, tools, meals on the job, etc., etc. Again, it is the unfavorable comparison as to what one man gets in relationship to what the other fellow gets that is important. The average worker wants no more than his buddy is getting in the way of privileges or rights, but he usually insists on just as much. Policies and practices within any company change with changing times, but the important thing is that these policies be kept uniform and consistent throughout all groups in the company, and again, that they be interpreted at all points in the same manner.

### Security

No. 6 on the list of what is necessary to have employe satisfaction is, in my opinion, the item of security.

The utility industry is extremely fortunate in being perhaps the most stable industry in the entire industrial world. Whether there be a depression or a boom, the utility industry continues to move ahead, business continues to increase, new customers are added, and progress is made. There could not come a time when a utility company, gas or electric, would simply shut down. The interests of the community are so tied up with the utility business that a utility must operate. This means that employes must work.

I am afraid that most utilities have missed an opportunity to sell the idea that a job with a utility offers security. The item of security ranks high in the list of desires of employes. The fact is that many employes working for utilities do not realize that they have this security and many managements have failed to use the security which is given employes as a means of gaining employe satisfaction and cooperation. What are some of the items that go to make up security? I am not going to discuss these items at any great length, but certainly among them I would include an adequate pension program, a well designed and adequate sick leave policy, group life insurance, hospital and medical insurance, a physical examination program, both pre-employment and periodic, and last, but certainly not least, a guaranteed employment plan. If a program including these items is developed, and I believe every utility can develop such a program, there will be no other industry that can offer to its employes the solidarity and continuity of work that our industry can offer. Certainly, employes who are relieved of the worry that goes with the prospect of loss of work, sickness, approaching old age, etc., are better employes.

They are contented employes, good citizens and productive workers. The cost of such a program is high, but I sincerely believe the benefits justify these costs.

### Keeping Employees Informed

Seventh, but not the least, in the list of "musts" is the need of keeping employes informed. Those of top management who are close to sources of information regarding their company's operations, its future and its problems, too often fail to appreciate the fact that employes who do not have this information cannot be expected to have their roots so deep in the organization as we have ours. They are not a part of the organization, either in knowledge or in action. It is a function of management and a necessity of a sound employe relation program to see to it that employes know what is going on and what is planned for the future. A prime function of management is to develop cooperation among a certain group of people in order that a certain end can be accomplished. Cooperation simply cannot be had unless employes understand for what they are cooperating.

The fellow who runs a business in a small town, be it upholstering or printing or one of the other such operations, never has the problem with which large organizations are faced. The reason is apparent. His two or three employes know about how much business he is doing. They know the expenses that he must meet. They know about what profit he is making. They are familiar with the problems that he must face daily. They know that their welfare is tied in definitely with his success. Any form of logic tells these people that any effort of theirs to harm their employer's business or to prevent him from making profits reacts against them. This situation is brought about by one fact only, and that is that his employes are informed. It so happens that it is not necessary for this small business operator to systematize the giving of information to his employes. That, however, is our problem.

Again I say, enthusiasm is engendered by having a part in any operation. How can employes have a part in our operations unless they know something about them? I don't like to say this, but we could all learn a good lesson from certain union organizations. They have done a better job of telling their story to their members than any company of which I know.



The employe information program is of such vital importance that I believe it should be ranked at the top of those things that are necessary to have a satisfied employe group. The question might well be asked, "What are some of the means that can be used for this purpose?" To that question I would give this answer. Certainly the company magazine should have this aim as one of its purposes. In addition to the company magazine, informational bulletins, letters from top management, periodic discussions between supervisors and men, slide films, pictures, bulletins, payroll inserts, and many other approaches are available. I am afraid that many people in top management feel that the giving of information to employes is not necessary, and is a frill that could be dispensed with, but I personally feel that in the long run there is nothing that would pay greater dividends than a sound employe understanding of the company's operations and its problems.

### What Employees Should be Told

What are some of the things that should be told employes? I think the answer to this question can be found in answer to another question. "What should employes understand about the business to which they are devoting their life and from which they expect a living?" Do they know how much money is invested in the business for them so that they may have their jobs? Do they understand that the owners of the money must be paid something for its use, and why? Do they understand that without that money, which is capital, they could have no job, no pay, no vacation, no pension, no security? Do they know that part of that money is their money, that it is money that is in-

vested in life insurance or in the pension fund, or in some other fund, and if that money does not earn for them they likewise lose security? Do they understand that those who have worked and saved to make their job possible are also entitled to wages for the use of their savings? Do they know that free enterprise, which means free capital, the right to invest, the right to earn, has produced more for them and their families to enjoy than any other system in the world? Do they know what is done with the money the company gets from its customers? Do they know how much of it went for wages, how much for taxes, how much to buy materials, and how much was left? Do they know that the only place the company can get its money is from customers and that unless customers can be tempted to spend their money with the company, there can be no wage or increase in wages? Do they know what management plans for the future? Do they know that the company has the same problems as other manufacturers? Do they know that through more effort and higher production they will be able to buy more for themselves and their families to enjoy?

If they don't know these things, management is falling short of its responsibility.

I have tried to outline for you seven requisites of good employe-management relationships. I do not make the claim that these seven fundamentals will solve every problem that you or your company must face. This I do know, that even though we do not claim a perfect batting average, the program has worked for us. This also I know, that if you use these seven approaches to build employe understanding, you will eventually have a group of employes

who will not listen to idle agitation, but who, because of knowing, will be sympathetic toward the company's problems and the company's plans. Such an employe attitude cannot be built overnight. It must be developed over the months and years, but like many other great projects, when it is developed it will remain a lasting monument to sound management, and no one will be able to destroy that monument.

### Atlanta Gas Co. Adds 4 Towns To Service List

Under a three-year, \$6,000,000 expansion program scheduled by the Atlanta Gas Light Company, four Georgia towns will get gas service for the first time.

Douglasville, Bremen, Hampton and Gordon—all of which already have granted franchises to the gas company—are the towns which will be added to the present system which now covers Atlanta and 30 other Georgia communities.

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# The Government and Business

By

Hon. J. A. Krug

Secretary of the Interior  
Washington, D. C.

**I**N THIS, my first meeting with leaders of the gas industry since becoming Secretary of the Interior, the officers of your association asked me to discuss a very general subject which I believe it possible to discuss only in very specific terms.

It is my belief that the attainment of the high standard of living and security and freedom for all Americans that we all so devoutly desire can come only from the understanding cooperation of business, Government, and labor.

Holding so strongly to this belief, it is most encouraging to me to find an industry which has from its earliest days cooperated fully and whole-heartedly. The numerous cooperative research and development projects in which the American Gas Association and the Interior Department's Bureau of Mines have joined are evidence that Government and business are not two rival predatory animals which must be ever at each other's throats.

You will remember the cooperative study of chemical compounds which might be added to odorless natural gas to provide a tell-tale smell. This followed the first world war. Then in 1926, the Bureau of Mines surveyed the gas, coke and by-product making properties of American coals, a study still in progress under the active supervision of an advisory committee of your association.

Then there was cooperative research on the transportation problems of natural gas, including the study of flow through high-pressure transmission lines. As you know, due to the increased pressures and velocities, we have—jointly—renewed our cooperative study of these high-pressure transmission lines.

The record also includes joint research on productive capacities of gas wells, on the "back-pressure" method, on investigation of methods of controlling and gaging gas and oil deliveries from high-pressure combination wells, and the determination of the cause and cure for freezing of natural gas pipe lines.

This recitation of the scientific cooperation between the Interior Department and the natural gas indus-

try is not made in violation of my promise to avoid describing to you the problems and successes of your own industry.

## Cooperation Essential

It is made to illustrate my belief that the continued prosperity of your industry as well as that of the whole country depends on continued cooperation in the vital problems of research and development. By brief experience as head of the Federal department responsible for conservation of natural resources coupled with my experience as Chairman of the War Production Board has convinced me that research—technical, scientific and theoretical research, as well as practical, production and factory research—is the key to successful industry development and survival.

Comprehensive research is a critical and exhaustive investigation or experimentation having for its aim the discovery of new facts and their correct interpretation, the revision of accepted conclusions, theories, or laws, in the light of newly discovered facts, or the practical application of such new or revised conclusions. Under this definition the Government of the United States has conducted research from the earliest days of its national history.

War accelerates the demand for research and for its military applications, but it affords little opportunity for fundamental research or the continuation of long-range peacetime programs. Total war, of course, demands Federal domination of nearly all research, and imposition of severe restrictions for security purposes. Today, with the immediate demands of war happily removed, we recognize a tremendously increased need in all fields of technologic and economic research, in order that the post-war goal of a secure and prosperous national economy for the American people may be realized.

One particular bit of research which has caught my attention relates to the use of natural gas in diesels. Recent tests have demon-

strated the feasibility of using natural gas in diesel engines by making relatively minor changes in the equipment. This technological development opens up a new and useful field for gas utilization by supplementing dwindling supplies of diesel oil; effecting substantial savings in the operation of diesel power plants and affording an opportunity for gas companies to improve load factor. Furthermore, the flexibility of operation with respect to the choice of fuels in diesel power plants equipped to burn natural gas, is of great emergency value as such plants can be changed from one fuel to the other in a few minutes.

## Departmental Activities

What is the Federal government doing as its part in this cooperative industry development?

An Oil and Gas Division has been established in the Department of the Interior to coordinate the work of various Departmental agencies with other departments of the Government so that the greatest benefit may be obtained from all Government work relating to oil and gas. This Division cooperates very closely with the oil and gas industry through a representative industrial council.

Your industry and the Interior Department long have recognized the need for modernization of the Federal mineral leasing statutes so as to provide the utmost opportunities for development of the gas and oil resources in the public lands of the United States. Our efforts along these lines produced tangible results in the last session of Congress through the enactment of what at one time was familiarly known as "S. 1236," but which is now Public Law 696.

Less than a week ago Under Secretary Oscar Chapman presided over public hearings at Denver, Colorado on regulations designed to give full force and effect to the many beneficial provisions in the new statute. As a result of the cooperation given us at those hearings by representatives of the natural gas industry as well as others concerned with mineral re-



source development on the public lands, speedy progress can be made in the promulgation of the new regulations. I can assure you that it will be the policy of the Bureau of Land Management—which was established in the Department on July 16th to take over land administration operations formerly carried by the General Land Office and the Grazing Service and the Geological Survey—to extend to the industry all possible assistance in its endeavors to promote the development of the oil and gas resources of the public domain under the provisions of the new law.

### The Gas Industry's Part

What can the gas industry do in this cooperative development?

I think it is generally agreed, within the industry and the government, that it can intensify its research activity. Not only can the gas association sponsor valuable research projects; individual companies will find that it is profitable business to invest money in scientific research. The mining schools and engineering colleges have many scientists with the practical turn of mind—men who can work in the field and in the labo-

ratory and come up with scientific answers to questions and problems which could have cost the company many times the research cost if not scientifically solved.

The industry can redouble its conservation activity. There is no man in this room today who can justify the wastage of natural gas which is lost in connection with petroleum production. The loss of 680 billion cubic feet of natural gas in 1943 is hard cash money out of your pocket more than out of mine, although in the end it is out of mine, and out of every citizen's. Try to estimate what your gross income would have been on a billion cubic feet of natural gas, then multiply by 680 and you will recognize the debit on the industry's and the country's account books for one year alone.

This loss and waste of gas represents an equivalent in bituminous coal of 26,000,000 tons of coal or the equivalent in fuel oil of 113,000,000 barrels of oil. Loss and waste accounted for 13.85 hundreds per cent of the total natural gas production in 1943.

Yet there is a bright side to the industry's conservation activity. In few other industries is it so clear that conservation means not storage, non-use and hoarding, but intelligent, controlled consumption—consumption at rates and under conditions which maintain a stable industry and a stable and continuous supply of the product to the consumer at a fair price.

With continued business, government and labor cooperation, with intensified research and—further—with a progressive management appreciation of national as well as individual problems, the American Gas industry will maintain and solidify its present position of industrial leadership in America and the world.

*Presented at 28th Annual Convention, American Gas Association, Atlantic City, N. J.*

### Dunn Made General Manager Fluor Corp.

W. Earl Dunn, Vice-President of The Fluor Corporation, Ltd., Los Angeles, Calif., who has been in charge of the Kansas City Office since 1930, has been promoted to the position of General Manager, effective October 1, 1946. Mr. Dunn will now make his headquarters in the Los Angeles office.

James P. "Jim" Wiseman, former district engineer in Fluor's Houston office, has been named General Sales Manager, effective October 1, 1946, and is now located in the Los Angeles office.

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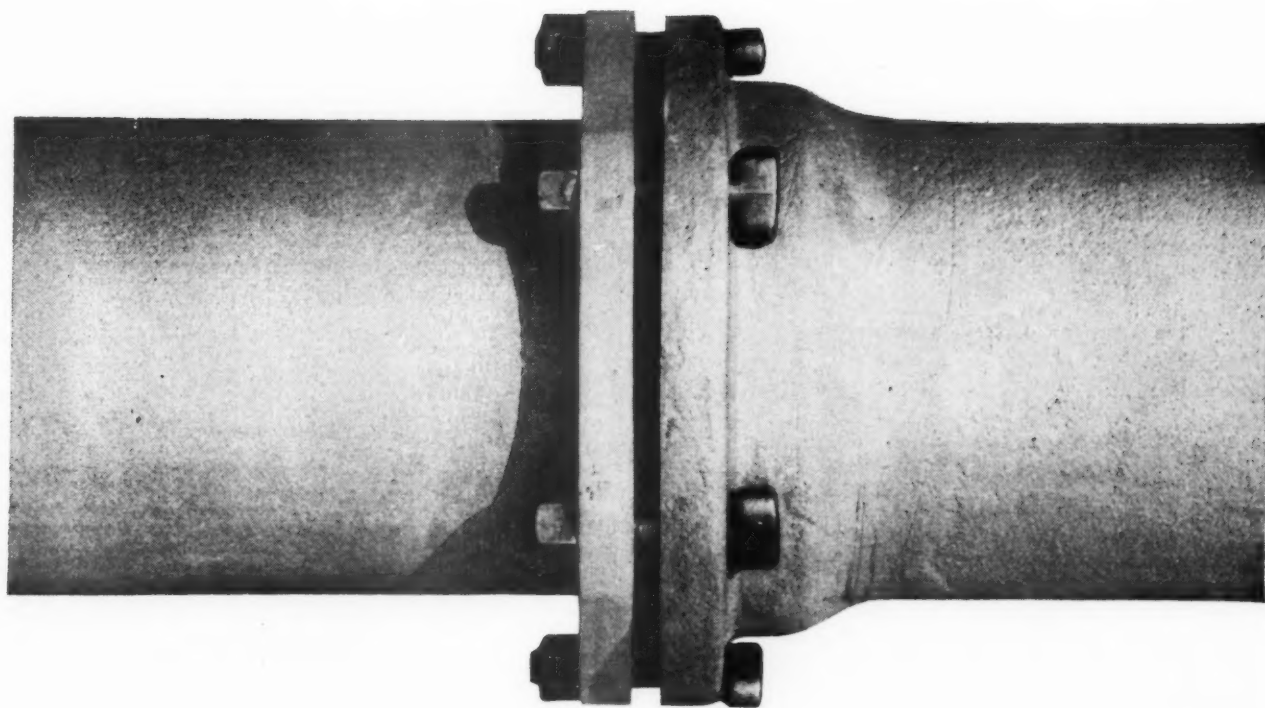
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## Industrial and Commercial Gas

**B**OTH meetings of the Industrial and Commercial Gas Section were well attended, the program offering subjects of outstanding interest.

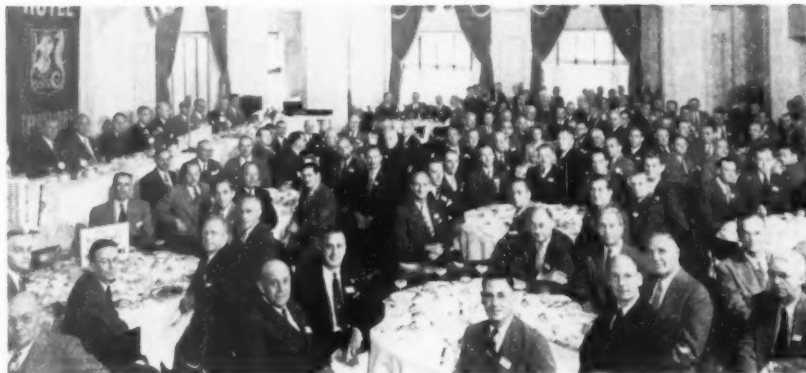
This section started with a luncheon on Oct. 8th. The Chairman was Harry A. Sutton, Public Service Gas & Elec. Co., Newark, N. J., Dexter M. Keezer, Director, Department of Economics, McGraw-Hill Publishing Co., New York, presented a paper titled, "Future Industrial Production."

After the luncheon, E. M. Tharp, V. President, The Ohio Fuel Gas Co., Columbus, O., presented a paper on "Our Equity in Industry." It is printed in full in this issue of the Journal.

Eugene D. Milener, Coordinator of General Research A.G.A., told what is being accomplished for the industry through the industrial and commercial research program.

W. M. Jacobs, Manager, General Sales, Southern California Gas Co., Los Angeles, talked on the subject, "Organizing for Accomplishment," which was a presentation of the functions and requirements of a successful Industrial and Commercial Sales Department.

Mr. Jacobs discussed the subject from the standpoint of his own Com-



INDUSTRIAL AND COMMERCIAL GAS SECTION LUNCHEON—HOTEL TRAYMORE  
—OCTOBER 8

pany's situation and stated in part:

"While a dealer program might take the utility out of the equipment merchandising picture, it seems clear in this specialized field that there will be continuing need for underlying gas company sales development and promotional work. Dealers will need assistance both in sales and application engineering problems."

In summarizing he stated that: "We can no longer take our commercial-industrial markets for granted. The form value of gas may have to carry a higher price tag; and we are certain to experience intense

competition from other sources of energy for the most desirable of our non-residential loads. Let's organize for accomplishment now!"

The second meeting of the section was held Thursday afternoon. Leon Ourusoff, Washington Gas Light Co., read a paper "Objectives in the Food Service Field." Other papers were by William Wirt Young, Waterbury, Conn., on "Standard Brass Foundry Practices as They Affect Gas Sales," and "Selling Gas For Firing Large Boilers," by L. S. Reagan, V. Pres., The Webster Engineering Co., Tulsa, Okla.

A panel discussion presented by representations of five manufacturers of industrial furnaces and ovens followed.

Copies of these papers may be had by addressing the American Gas Association, 420 Lexington Ave., New York.

### INDUSTRIAL AND COMMERCIAL GAS SECTION

Left: Harry A. Sutton, Chairman, Asst. Gen. Industrial Fuel Representative, Public Service Electric & Gas Co. and Eugene D. Milener, Coordinator of General Research, A.G.A.

Center: W. M. Jacobs, Mgr. of General Sales, Southern Calif. Gas Co., Los Angeles. Right: Leon Ourusoff, Chairman, Food Service Equipment Committee, A.G.A., Manager of Utilization Dept., Washington Gas Light Company, Washington, D. C.



# Our Equity In Industry

By

**E. M. Tharp**

Vice-President and General Manager  
The Ohio Fuel Gas Co., Columbus, Ohio

**T**HERE are more challenging possibilities in the industrial market for gas than in any other field with which our industry has contact. These possibilities offer not only opportunities for reviewing, but for the balancing and stabilizing of operations which are so essential to the development of earnings. In addition, industry, with the sustaining advantages of gas service, provides a favorable economic atmosphere for the growth and maintenance of those other markets on which we must depend. In other words, our equity in industry is a basic interest vital to the rounding of our load curves and efficient development of full earning possibilities.

These are rather conclusive statements to begin with and deserve consideration of background by way of understanding them. Let us then begin by consideration of the fuel itself and its industrial applications. It must meet economically the competition of other fuels, since it is only by such advantage that we may be in a position to offer a service to take any permanent hold on the industrial market. Experience in establishing that gas has, within its utilization, inherent qualities that can not be found in any other fuel. These inherent qualities, of course, have to be brought out through development and research and can be best utilized only if the heating process of any particular industry is built around this fuel.

Some of these inherent qualities which we have come to know may be briefly outlined as follows: Gas can be synchronized with processing industries with respect to time, speed and temperature so that the equipment and the fuel can be automatically mechanized exclusive of the human element to the end that the resulting combined equipment is really another machine in the processing line of production.

Natural gas can be used not only as a heating agent on process work, but can also be automatically reformed so that the resultant gas can enter into the chemical or metallurgical action necessary to produce the desired product. An example of this is the carburizing of steel, where the carbon from natural gas is infused into the surface of the steel so that

the outer surface may be extra hard and have tough wearing qualities. Or, as another example, the gas can be re-formed, the water vapor removed, and the resultant gas acts as a protective atmosphere for materials going through the furnace so that the surface of such materials does not become discolored or oxidized. This method is followed in the bright annealing of copper and steel. These inherent qualities make natural gas far more desirable than does just its fuel value alone. Natural gas can be burned at very high rates, releasing great amounts of heat over very small areas. Development along this line has increased the speed of heating materials so that today ten times as much heat per cubic foot of space can be released than ever before thought possible. Natural gas therefore makes possible specialized heat applications which are impossible with any other fuel.

Obviously such an extraordinary fuel has an essential character to progressive production in industry and offers such economic implication as ability to pay higher wages, create better working conditions and at the same time produce better and more products at less cost. As the gas industry makes such an outstanding tool available to general industry it necessarily incurs responsibility for continuity and adequacy of service, since industry must completely depend upon a service around which it has built its industrial heat applications to the exclusion of any other fuel. In the heat treating and chemical industries these applications have progressed to such an extent that operations are stopped cold whenever such natural gas supplies are not available.

## Evaluating Service

While this places a heavy obligation on the part of the gas service it affords an opportunity to evaluate such service at a price far above its value simply as a competitive fuel. Research toward better utilization of gas is going on in the heavy in-

dustries, such as steel, glass, oil, synthetics, etc., but ultimate development can be made possible only if equipment can be installed to utilize exclusively these inherent qualities of gas fuel. These extra-special gas values can not be developed where gas is sold on an interruptible basis, as where gas is sold by that method its value is restricted to levels not nearly on a par with competitive fuels.

In the early days gas was sold competitively with coal and oil simply as a fuel and usually its application was a crude installation, removable as supply conditions and prices changed the competitive relationship. Recognition of the extraordinary qualities of gas fuel was delayed for years because it was available only off peak. It is only as availability of gas for all-year service improved that its advantages of control, flexibility and chemistry were developed, giving it an essential character for which today there is no substitute. These changes and improvements have been carried forward beyond the expectations of the customers who originally, more or less reluctantly, were persuaded to use gas for their fuel requirements, but also beyond the expectations of gas companies and equipment manufacturers who were urging gas installations.

## Load Factors

Now while industry may find gas so desirable as a processing fuel, the question naturally arises as to whether such industrial markets are desirable to gas companies. In the case of our company, industrial load accounts for about 40% of total sales volume, with an 82% load factor. The load factor of our domestic and commercial sales is about 40% and house heating about 24%. It will be apparent that the industrial load raised our overall load factor to 50%. As house heating saturation increases and domestic load factor shifts from 40% toward 24%, the importance of compensating high load factor industrial sales becomes more pronounced.

It is certainly not correct or proper to say that our industrial load is the



best load or more desirable than the base domestic load for cooking, water heating and refrigeration; rather it should be recognized that the domestic and industrial loads are complementary and the advantages derived from each reflect in favor of the other.

Surely, none of us need be reminded of the enormous volume of central heating load being connected to our systems and the problems with which we are confronted as a result. The unprecedented rate at which this load is being connected is partly due to our own promotional and sales effort of the past, but probably more directly traceable to the changing economic status of gas, because of increased earning power and spendable income and the increased prices and limited supplies of other fuels. If this be true of gas as a fuel for central heating purposes, then it must also be true in the industrial field. It may also be said that if the position of gas is improved in the economic fuel scale, more fields of industrial application are opened up. It would, therefore, seem to be a very propitious time to actively promote the sale of gas for industrial purposes.

From where we stand today, it would seem that the sale of base load domestic gas per customer is approaching the ultimate. Our efforts in this field are now devoted to holding what we have against competition and attempting to equip all new homes with appliances and service for these base domestic purposes. While the gas industry is constantly growing in number of customers served, it would seem that unless and until people can be persuaded to do more home cooking and more home laundering, the gas sales per customer will not show any appreciable increase.

### Central Heating

In the meantime, the sale of gas for central heating purposes is growing by leaps and bounds, and the sales for this purpose bid fair to equal or exceed those for purely domestic purposes. The current attitude so generally expressed in our industry of prohibiting or discouraging the installation of heating equipment cannot be held indefinitely, and our plans must contemplate the handling of this load in a satisfactory manner whether we like it or not. To minimize the effect of this load upon our investment and our operations, it is desirable to strike in two directions: First, to seek a compensating and balancing

summer load, and second, to build our industrial load so that heating sales represent a lower proportion of the total sales.

The opportunities in the first direction are somewhat limited. The development of the Servel air conditioning unit seems to offer some possibilities, but time will be required before any appreciable load can result from this source. In the industrial field there are certain operations or processes that are carried on either completely or to a large extent during summer months. To mention a few, there are asphalt plants operated in conjunction with street construction and repair programs, hay driers, food dehydrating plants, food processing and canning factories. Except possibly in the southwest, there has been little work done by way of promoting the gas engine for industrial application. There is a field for this development, particularly in natural gas territory, for ice manufacturing plants and food locker plants, both of which experience summer peaks.

The opportunities in the second direction, that is building year-round industrial load, seem almost unlimited, and it is not here necessary to dwell particularly on the theme. I would only point out that such load should be well diversified as between industries. Our business is bound to follow the general economy trend or cycle of business activity, but if the proper attention and effort are given to the diversity of industrial applications, our business in the industrial field need not follow the cycle of any particular industry or activity.

### Cost of Service

Let us consider for a moment the probable differential in cost of service as between an industrial load and a house-heating load. Assuming a maximum load of 30 million cubic feet per day and that the diversified industrial load would have a load factor of 80%, while the house-heating load would only have a load factor of 24%, we could expect industrial sales of 8,760,000,000 annually and house-heating sales of 2,628,000,000. If the cost of a manufactured gas plant is taken at \$250. per thousand of daily capacity and this investment carries an overhead burden of 12%, the charge per thousand of industrial sales would be approximately 10c and against the house-heating sales about 34c.

If you operate a transmission system in connection with your operations, which represents an invest-

ment of \$50,000. per million of daily capacity, and the overhead on this investment is taken at 10%, there would be a charge of 2c per thousand against industrial sales and 7c per thousand against house-heating sales.

Then we have a distribution system representing an investment of, say, \$75,000. per million of daily capacity for domestic service. There probably is no distribution system which was constructed and operated entirely for industrial service, but this would be a much simpler and more economical layout than our normal distribution system, and it is here assumed that such a system would only represent an investment of \$50,000. per million of daily capacity. Translating a 10% burden on these investments into gas rates, there would be a charge of 2c per thousand against industrial sales and 8c against house-heating sales.

Summing these up, we have a total charge of 14c per thousand against industrial sales and 49c against house-heating sales, or a differential of 35c per thousand in favor of industrial service. Generally speaking, we do not find such a differential in rates of these two services. It has been the policy of most companies to provide the lowest rate for house-heating service reasonably consistent with other rates. This, obviously, has meant that other classes of service have to some extent been penalized.

With the improved position of gas in the competitive fuel scale, we have the opportunity of re-examining our rate schedules and providing rates which will place upon each class of service its just proportion of cost. When this is done, bearing in mind the excellent load factor and stability of the industrial market, there would seem to be an opportunity of appreciable development and expansion of this service.

It is an accomplished fact that our industrial machine is geared to gas and it is consequently dependent on gas fuel for continuing operations. In years past industry has used gas, seen the supply dwindle to a vanishing point, adjusted itself by conversion back to original fuels and gone its way again after suffering only temporary set backs, but present conditions are not analogous.

### Changes Evolved

The last twenty-five years have evolved important changes. The development of methods designed to make the most of every potential advantage possessed by gas, both by

concerted action on the part of our industry and by these industries themselves has resulted in a condition which you cannot escape taking into full account in considering these matters.

The fact that this is true has been beneficial to us as well as to our industries. Further than this it has been in the public interest. It has permitted the development and advancement of the art of metal working, glass making, and in other fields beyond points otherwise attainable. I would go so far as to say that no other single factor has contributed as much to making possible the quality mass production which is our pride as a nation. I would point out as a significant fact, that no other country in the world developed (or was able to develop) in their industry this dependence on gas and ask you to consider how large a bearing this one factor might have had in establishing our industrial supremacy and winning the war.

We are all familiar with the attempts made during the war to convert certain processes served by gas to other fuels and we know in how few cases this was found possible. So whether we like it or not, whether we agree that the part we might have played in this development was wise or not, it is never-the-less an incontrovertible fact that general industry is geared to and dependent upon gas—not necessarily our gas, but some gaseous fuel. We cannot escape the necessity of considering this fact in connection with our own problems.

Whether we have a moral responsibility to industry to continue to serve their needs is quite beside the point. The facts we must consider are that our industries are dependent on gas and that the communities we serve are in turn dependent for their well-being on the retention and prosperity of these industries. The avail-

ability of gas at favorable competitive prices was a controlling factor in securing, developing and expanding our local industries and community wealth and prosperity followed as a natural result.

It isn't just a coincidence that we went through first a period when the use of gas by industry was expanded and that now we are confronted with an unparalleled demand for gas for house heating. What we are witnessing is nothing more or less than the workings of the sequence of cause and effect. I am perfectly well aware that we have just come through a war and that fact might have something to do with this flush of prosperity but it was through industries such as our communities enjoy that the bulk of the money spent on the war was distributed. In the communities which we serve the amount distributed per capita was greater than the average for the country and this just didn't happen for no reason at all. It happened because our industries were set to do the job, and this in turn because they were geared to gas, the one factor that makes possible the optimum in quality mass production and for which today there is no known substitute. If you don't like operating in prosperous communities and would like to change these conditions, then the surest and quickest method you could employ would be to choke off your industries. Cut these supplies that are so vital to them and in time, some quickly, some more slowly, they have no alternative but to retrench or move to localities where these needs can be supplied, and if this happens, the business of your community, your business, will never again be the same.

I am talking in generalities to save time. I am not developing this thought as carefully or completely as it deserves to be or as I would like

to. The effect of gas curtailment or withdrawal will, of course, be greater in some plants or industries than others, but throughout our territory we could withdraw only an insignificant amount without setting up a chain of circumstances that might adversely affect all phases of our business. You cannot "eat your cake and have it too." House-heating load is luxury business. You can develop it only in parallel with or following the development of your industrial load, because this and prosperous communities are synonymous.

We have to accept our business as we happen to find it today with due recognition of the varied reasons and forces that have contributed to its present development. Perhaps we can't arbitrarily shift loads or load factors as we might wish to do. We have to be sure that whatever we do to affect these changes will not disturb the highly complex economic fabric upon which our business and communities are built. We have seen so much experimentation by others naive enough to believe they can artificially control some of the forces of an intricate economic structure to their own liking and at the same time establish for themselves an immunity against disaster from the effects of the other forces involved that we should not rush in and emulate them without mature thought.

I don't know whether you will agree with my conclusions or not, but I feel we would do well to tread slowly in these matters that might disturb the balance as it exists and that the real job is rather one of doing everything possible to arrange for free and unrestricted growth in every direction where profitable business is indicated.

*Presented at 28th Annual Convention, American Gas Association, Atlantic City, N. J., October 7-11, 1946.*

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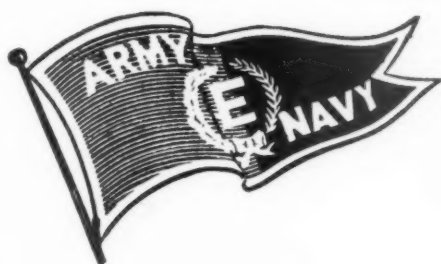
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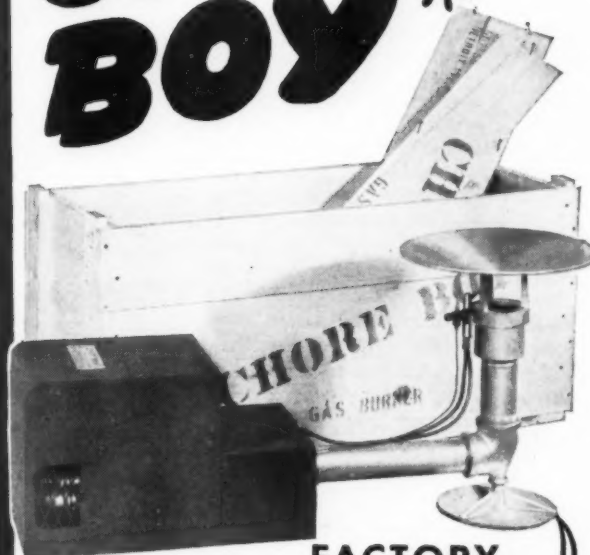
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## ACCOUNTING SECTION

**C**ONCLUDING a year of unusually effective committee activity, gas industry accountants gathered at the Atlantic City convention to attend three Accounting Section meetings covering a wide range of subjects.

Mr. E. F. Embree, Chairman, opened the October 8 general session with a concise summary of the year's committee work, placing particular emphasis upon the Joint Spring Conference held in Cincinnati with the Edison Electric Institute. As a particularly outstanding accomplishment he cited the report on Customer Accounting Practices and Policies, completed during the year by the Joint A.G.A.-E.E.I. Customer Activities Committee, under the chairmanship of L. A. Mayo, The Connecticut Light and Power Company.

As a new development in the regulatory field, Mr. Embree called the attention of the delegates to a recent proposal of the Committee on Accounts and Statistics of the National Association of Railroad and Utilities Commissioners to require that depreciation reserves be shown on the assets side of the balance sheet as a deduction from utility plant, with the difference to be labeled "net utility plant." The delegates were informed that objection had already been made to the N.A.R.U.C. Committee on the Subcommittee on Public Utility Forms of the Advisory Committee on Government Questionnaires, and that steps were then being taken by the A.G.A. and E.E.I. Accounting Sections to submit a more detailed joint statement of industry objections to the proposed accounting procedure.

The first speaker at the general session was Lewis B. Moulton, Director, the Vocational, Rehabilitation and Educational Service for Veterans, Veterans Administration, Washington, D. C., who discussed the subject of "On the Job Training for White Collar Employees."

On the morning of October 9, W. D. Virtue, Public Service Company of Colorado, Coordinator for the General Activities Group, presided. The meeting was devoted to discussion and the submission of committee reports.

Bernard S. Rodey, Jr., Consolidated Edison Co. of New York, Chairman of the joint A.G.A.-E.E.I. Committee on Protection and Preservation of Records, stressed the fact that an orderly destruction of unnecessary records is fully as important as is the protection of important records. "To put it rather bluntly," he stated, "your Committee sees very little utility in throwing good dollars after bad and urges that the industry do its utmost to maintain a firm policy concerning the orderly destruction of all unnecessary and outdated paper work."

In his review of recent utility accounting developments, C. E. Packman, Chicago utility consultant, expressed the opinion that utility accountants should be more alert to the implications of their work as it relates to rate regulatory proceedings. He cited a number of pertinent examples, among which was a strong reference to the manner in which utility facilities have had to be operated since the war. Under-maintenance and under-expansion for fa-

cilities have created an erroneous picture of the cost of rendering quality service which cannot now be safely used as the basis for setting future rate levels.

John H. W. Roper, Coordinator, presided at the Wednesday morning meeting given over to the presentation of addresses on diversified subjects.

"Zone Meter Reading—Its Relation to Office Routine" was the subject of a paper by G. E. Curtis, Chairman, Customer Accounting Subcommittee (Boston Consolidated Gas Co.). Zone meter reading he defined as "... a system ... wherein the reading territory is divided into zones or areas, in which some meters are read every day. Any number of meter readers may read in a zone on any one day, but some meters are read in all zones each day. This is in contrast to district reading where all the readers work in one district, and read the entire district in one day."

The formal portion of the session was brought to a close by L. A. Horton, Chairman, Customer Accounting Subcommittee (St. Louis County Gas Co.) who held the interest of the meeting with a paper entitled "Improving Customer Relations through Employee Training." After establishing the necessity for employee training in the furtherance of good public relations, Mr. Horton took up separately the nature and extent of training desirable for physical workers, indirect contact employees, secondary contact employees and primary contact employees. The importance of follow-up training by immediate supervisors, after completion of initial training courses, was stressed. Although a questionnaire survey of gas company training practices indicated some recognition of the customer relations problem, the speaker found no justification for complacency in the industry—partly because "... conditions controlling the need for employee training have perhaps changed faster than we have changed our training thinking."

The session closed with a brief discussion period led by R. F. McGlone, Chairman, Customer Accounting Committee (The East Ohio Gas Co.), H. F. Quad, Chairman, Customer Collections Committee (Public Service Electric & Gas Co.) and L. V. Simmons, Chairman, Customer Relations Committee (Northern Indiana Public Service Co.)

### PAST CHAIRMEN OF THE ACCOUNTING SECTION.

Left to right: F. B. Flahive, Columbia Engineering Corp., New York, N. Y.; L. L. Dyer, Lone Star Gas Co., Dallas, Texas; O. H. Ritenour, Washington Gas Light Co., Washington, D. C.; C. E. Packman, Chicago, Illinois; E. F. Embree, New Haven Gas Light Co., New Haven, Conn.





Speakers' Table at the Home Service Breakfast, October 9, Atlantic City. Left to right: Jessie McQueen, home service counsellor, A.G.A.; W. M. Chamberlain, Grand Rapids, chairman-elect, Residential Gas Section; Mrs. Mary Belle Burnett, Cincinnati Gas & Electric Co.; Gordon C. Howie, Cambridge Gas Light Co., Cambridge, Mass.; Ruth Sheldon, Washington Gas Light Co.; H. Carl Wolf, managing director, A.G.A.; Elizabeth Lynahan, The Peoples Gas Light and Coke Co., Chicago; A.G.A. President Everett J.

Boothby, Washington; Mrs. Lillian P. Dunbar, Cambridge, chairman, A.G.A. Home Service Committee; J. J. Quinn, Boston, chairman, Residential Gas Section; Mrs. Everett J. Boothby, Washington; A.G.A. President-elect R. H. Hargrove, Shreveport, La.; Jeannette Campbell, Minneapolis Gas Light Co.; Alexander Forward, retired managing director, A.G.A., New York; Colleen Fowler, Kansas City Gas Co.; and John W. West, Jr., assistant managing director, A.G.A.

## Home Service

An open meeting was held on October 8th, at which many splendid papers were presented. Mrs. Lillian P. Dunbar, Home Service Director, Cambridge Gas Light Co., Cambridge, Mass., presided. The papers presented include the following.

**Importance of Water Heater Promotion;** W. J. Schmidt, Long Island Lighting Co., Mineola, Long Island, N. Y.

**Laundry Planning;** Edwina Nolan, Bendix Home Appliances, Inc., South Bend, Ind.

**Good Grooming Classes in Schools;** Kathryn Barnes, Equitable Gas Co., Pittsburgh, Pa.

**Home Service Helps The Dealer;** Mildred Clark, Oklahoma Natural Gas Co., Tulsa, Okla.

**The Preparation of Food Displays for Slides and Photographs;** Alta Given, H. I. Williams Studio, New York, N. Y.

**Home Service The Road To Opportunity (record transcription);** Mrs. Mary Belle Burnett, Cincinnati Gas & Electric Co., Cincinnati, Ohio.

Copies of all papers may be had by addressing the American Gas Association, 420 Lexington Ave., New York.

### Home Service Breakfast

The Home Service Breakfast was held Wednesday morning, and was well attended, short talks were made by E. J. Boothby, President, A.G.A., H. Carl Wolf, Managing Director, A.G.A. and J. J. Quinn, Chairman, Residential Section, A.G.A.

"It's in the News" was the title

of a paper presented by Elizabeth Lynahan, Home Service Director, The Peoples Gas Light & Coke Co., Chicago, Ill., in which she discussed the current developments in frozen foods, laundering of modern fabrics and explanation of new appliances as these developments fit into home service promotion of gas equipment.



Left to right: New Home Service Chairman, 1946-47, Mrs. Mary Belle Burnett, Cincinnati Gas and Electric Company, Cincinnati, Ohio; Miss Jessie McQueen, Home Service Counsellor, American Gas Association and Mrs. Lillian P. Dunbar, Cambridge Gas Light Co., Cambridge, Mass.



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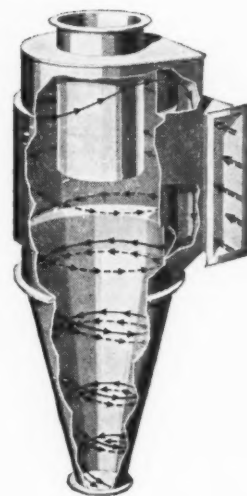
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## G. A. M. A. Exhibit

**T**HE Gas Appliance Manufacturers Association exhibit, held in conjunction with the annual meeting of A.G.A., was the largest in the history of the gas industry, more than 150 manufacturers, using 58,000 square feet to show their latest products.

The equipment and many of the appliances shown were improved or new. The exhibits indicated that the gas industry is reconverting to peacetime activity quickly and is applying the fruits of wartime experience and research in an effort to meet the great potential demand.

More than 50 styles of gas ranges were displayed. Gleaming plastics and all-white tops set the trend in the new models, which offer such optional features as "automatic" clock controls to turn cooking on and off at pre-set times; up to 8 top burners in a variety of arrangements; two ovens; high or low broilers; built-in griddles and deep well cookers; steam cooking ovens; glass oven doors; food crisping bins; warming closets; towel dryers, and kitchen heaters.

Also exhibited were summer and winter air conditioning units, automatic gas clothes dryers, conversion burners, automatic water heaters, and many other gas fired appliances for the home and industry.

Dominating the Servel exhibit on the auditorium stage and visible from all over the auditorium was a 16-foot-high scaled-up model of their 1947 refrigerator design, complete with trays and all interior equipment. The model, which weighs 1½ tons, was mounted on a pedestal in front



General View of Exhibits in Auditorium

of a sunburst display, its 1,000-lb. door swinging slowly open and closed. One of the first-model home gas refrigerators, in continuous operation from 1926 until 1946 with a repair bill of only \$2.50, was featured in a display which traces the major developments in gas refrigerator design.

The latest gas plant equipment was on display, as well as the latest in gas plant and distribution accessories of all kinds. A few of the typical exhibits are shown on following pages.

### G.A.M.A. Directors Meeting

The 45th Annual Meeting of the Board of Directors of the Association was held Oct. 7th, at the Traymore

Hotel, Atlantic City. D. P. O'Keefe, was inducted as President of the Association, Mr. O'Keefe is President of O'Keefe & Merritt Co., Los Angeles, Calif., and succeeded Lyle C. Harvey, the outgoing president.

Other officers of the Association inducted at the meeting were—First Vice President, John Robertshaw, Youngwood, Pa., President, Robertshaw Thermostat Co.; Second Vice President, Frank Hoenigman, Chicago, Ill., executive vice president, Florence Stove Co.; Treasurer, John Van Norden, New York, Secretary, American Meter Co.

The next exhibit by the Gas Appliance Manufacturers Association was tentatively set for October, 1948, in Atlantic City.



D. P. O'Keefe



J. A. Robertshaw



Frank Hoenigman

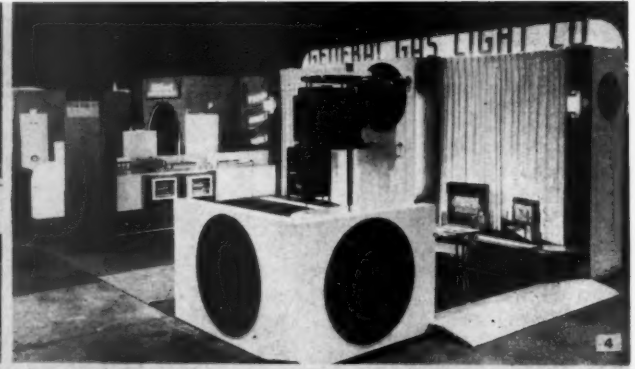


John Van Norden

**T**HE largest and most comprehensive showing of gas appliances, equipment and gas utilization technique ever held was the exhibit of the Gas Appliance Manufacturers Association held in Atlantic City in conjunction with the Convention of the American Gas Association

Close to 1,000 products—many brand new, some 1947 models still in experimental and tooling-up stages—were being introduced by 150 manufacturers in dramatic displays covering 58,000 square feet of floor space.

A few of the booths are shown on these pages.



- 1: Coroaire Heater Corporation, Cleveland, displayed heating units for homes, stores and offices including the Hot-Boy.
- 2 and 3: Two views of Dresser Industries display. It included products of all Dresser Industries subsidiaries. The central theme was a gas flame atop a 14 foot tower.

- 4: General Gas Light Co., Kalamazoo, Michigan, exhibit of radiant and space heaters.
- 5: Lambert Meter Co., Plainfield, N. J. showed all sizes of tin meters, also meter prover and accessories.
- 6: Cleveland Heater Co., displayed their complete line of water heaters and the "Elno" unit to prevent rust in water heaters.



- 1: United Engineers and Constructors, Philadelphia. Diagrams of complete gas making plants were on display.
- 2: Cleveland Trencher Co., featured the 1947 edition of the Baby Digger.
- 3: Cribben & Sexton Co., Chicago displayed 8 models of gas ranges including C.P. types.
- 4: Roberts-Gordon Appliance Corp., Buffalo, N. Y. featured their spreader flame gas conversion burners.
- 5: Part of the Dresser exhibit showing Clark Bros., Roots and Stacey Bros. products.
- 6: Dominating the Servel exhibit on the auditorium stage was a 16 foot high scaled-up model of their 1947 refrigerator design, complete with trays and all equip-

- ment. Automatic water heaters and all-year-round gas air conditioning units were also featured, with the entire proposed merchandising campaign for each.
- 7: Rockwell Manufacturing Company, Pittsburgh, exhibited their complete line of meters, regulators and valves including the new light weight aluminum models.
- 8: In American Meter Company booths were shown all their latest models of meters in attractive display. Meter prover is seen in the right foreground.
- 9: Sprague Meter Company, Bridgeport, Conn., featured their new "Zephyr" aluminum alloy meter. The model stood on a revolving disc in the center of the booth.



## AWARDS

### Charles A. Munroe

One of the highest gifts bestowed by the American Gas Association was conferred upon Frederic O. Hess, president of the Selas Corporation of America, Philadelphia, Pa. Mr. Hess received The Charles A. Munroe Award for having made the most outstanding recent contribution toward the advancement of the gas industry. The award was made to Mr. Hess for his contributions in four fields: Research, Invention, Development of New Uses for Gas; and Increased Sale of Gas.

Mr. Hess, through his studies and development work, achieved much closer control over gas as a fuel and applied this control over a much wider range of combustion temperatures thus developing new opportunities for gas applications. Many of the new uses and applications were utilized in combustion equipment invented or developed by Mr. Hess. As a result of his studies and developments gas advanced in industrial fields from merely a fuel to become a crucial instrument in industrial processes.

The award, consisting of a substantial financial recognition accompanied by an engrossed certificate, was made possible by the generosity of Charles A. Munroe, a past president of the American Gas Association.

### Meritorious Service

John Kmetz, former Chief Gas Transmission System Operator, Consumers Power Company, Saginaw, Michigan, was posthumously awarded American Gas Association Meritorious Service Medal by Everett J. Boothby, president of the Association, in recognition of his conspicuous bravery and intelligence. On May 30, 1945, in a heroic action that averted possibility of personal injury and property damage and prevented a shutdown of vital war plants and interruption of gas service to thousands of customers, Mr. Kmetz made the supreme sacrifice of a war hero. He gave up his own life so that others could be saved.

Mr. Kmetz was working as an inspector on a high pressure transmission pipeline maintenance job being done under contract when gas escaping under 300 pounds pressure from a break in the main became ignited and formed a devastating blow torch. Caught in the path of the flaming torch, his clothes most burned off by the explosion and the fire, Mr. Kmetz

paused only long enough to smear his seared flesh and clothing with mud from a nearby ditch, got into his car and drove 7½ miles to shut off gas on either side of the main to divert the flow into other lines. Flesh from his hands was found on the steering wheel of his car when he completed his heroic mission and drove to the first aid station of the Dow Chemical Company, where he was rushed to the hospital at Midland, Michigan. Mr. Kmetz died as a result of his burns on June 4, 1945, after 15 blood transfusions.

"The entire gas industry pays homage to his heroism," President Boothby said in presenting the award.

The Meritorious Service Medal Award; consisting of a gold medal, button and certificate, was made possible through the generosity of the late Walter R. Addicks, senior vice-president of the Consolidated Gas Company of New York.

### Beal Medal

Hall M. Henry, director of gas operations, Negea Service Corporation, Cambridge, Mass., received the highest technical recognition in the gas industry, when he was awarded the Beal Medal. Cited for original work on technical developments of fundamental importance to the industry, Mr. Henry was specifically honored for his paper "Factors Relating to Economics of Gas House Heating," which was published in October 1945 by the Association.

The paper presents a detailed analysis of the fundamental factors to be used in determining the ways by which this huge potential house heating load can be accepted and profitably served. It shows how individual companies can reduce investment and operating costs by the proper selection of available gas processes. Through a formula he has developed and the use of local heating data, gas companies not only can ascertain the overall cost of gas under different load factor conditions, but they also can determine the "break-even point" or the number of days' use per year of plant capacity to give equal overall costs for any two gas processes. With this formula, companies can determine accurately the relative proportions of carburetted water gas and propane air gas, for example, which would result in the lowest overall cost of gas to supply an estimated house heating load.

### McCall Magazine Awards

Winners of the 1946 McCall Awards, sponsored by McCall's Magazine and administered by A.G.A., are as follows:

Mr. J. W. Lea, Sales Manager, Atlanta Gas Light Company, Atlanta, Ga., was awarded first prize consisting of \$150, while the company received an engraved plaque which remains in its possession for one year. Second prize of \$100 went to Miss Vivian Marshall, Home Service Director, New Orleans Public Service Co., New Orleans, La.; third prize to Mr. Jack A. Bell, Kitchen Planning Consultant, Alabama Gas Company, Montgomery, Ala.; fourth prize to Miss Marguerite Fenner, Home Service Director, Pacific Gas and Electric Co., San Francisco, Calif.; and fifth prize to Mrs. Jean Harrison, Kitchen Planning Consultant, Minneapolis Gas Light Co., Minneapolis, Minn. Each of the companies represented by the second, third, fourth and fifth prize winners received an illuminated parchment in recognition of the McCall Awards.

Prizes were based on papers of 2,000 words or less submitted by entrants, covering the following points: (a) The plan developed as a means of helping housewives to better kitchens; (b) The means used to achieve this result; (c) Progress made; and (d) A summary of the accomplishments.

Judges for the McCall's Magazine Awards were: Mr. Chester S. Stackpole, Manager, Merchandising and Domestic Sales, Consolidated Gas, Electric Light & Power Co., Baltimore, who was Chairman; Mr. W. B. Hewson, Advertising Manager, Brooklyn Union Gas Company; Mr. Wallace M. Chamberlain, Sales Manager, Michigan Consolidated Gas Co.; Miss Margot Sherman, McCann Erickson Advertising Agency, New York; and Miss Kathryn L. Barnes, Home Service Director, Equitable Gas Company, Pittsburgh.

### Safety Merit Award

The Butadiene Production Department of the Southern California Gas Company, Los Angeles, received the Merit Award for outstanding achievement in accident prevention. This department, consisting of 709 employees, established the splendid safety record of working from August 1, 1945, to April 7, 1946, a total of 1,020,000 consecutive manhours without a disabling accident.

## Supplers Wassail

**M**ORE than three hundred Supplers, Bughers and invited guests attended the 9th annual Wassail of the Gild of Ancient Supplers held at the Hotel Madison, Atlantic City, October 7th.



Former Mayors C. E. Bartlett and W. S. Guitteau enjoy the Wassail and recall other gatherings held since the founding of the Gild in May, 1937, at a meeting of the Pennsylvania Gas Association.



1. Roast beef and turkey greeted Supplers and Bughers at the Wassail.  
2. Left to right: H. L. Whitelaw, Gas Appliance Manufacturers Assn.; L. C. Harvey, Bryant Heater Co.; John Van Norden and R. W. McClenahan, American Meter Co.; Alexander Forward, former managing director of A.G.A. and honorary life member of the Gild.

That rare article, roast beef, was on the food counter, and roast beef sandwiches were in great demand. They were a "delicacy" everyone seemed to appreciate.

Band music and other entertainment was provided. The genial Mayor of the Gild, Joe E. Mulcare, with his associate officers, were here and there at all times to see that everyone met everyone else, and it was the unanimous opinion of all that the Wassail was a great success.

The Gild Room at the Traymore was a haven of rest for those board-walk dogs, and the easy chairs provided were never more appreciated.

### J. S. Fluor Jr. Resigns from Fluor Corp.

The Fluor Corporation, Ltd., announces with regret that their Executive Vice President and General Manager, J. S. Fluor, Jr., has tendered his resignation effective September 1, 1946. He was considered one of their most valued men. He now will devote his entire time to his many outside interests.

### A.G.A. Southwest and A.G.A. Midwest Personnel Conferences

A joint meeting of the A.G.A. Southwest Personnel Conference and the A.G.A. Midwest Personnel Conference will be held at the De Soto Hotel, St. Louis, Missouri, on November 19 and 20.

The importance and timeliness of this joint conference, the first of its kind to be held, are further accented by a meeting of the Industrial Relations Committee of Edison Electric Institute at Hotel Statler, in St. Louis, on November 21, and a meeting of the A.G.A. Personnel Practices Committee tentatively scheduled for St. Louis on November 22. Reciprocal invitations are being extended for all of the delegates to attend and participate in each of the meetings.

The importance of human relations, labor relations and industrial relations in our economic picture was spot-lighted at the recent annual convention of the A.G.A. at Atlantic City, when important segments of general and sectional sessions were devoted to these subjects. Large audiences attended, hearing nationally renowned speakers emphasize the vital necessity of organized programs along these lines.

### George W. Bean Retires As A.G.A. Fuel Consultant

George W. Bean, who for fifteen years has been the Association's Fuel Consultant, has resigned to again engage in individual representation work in Washington. He will continue to maintain offices in the Albee Building in Washington and will be available for specific retention by any utility.

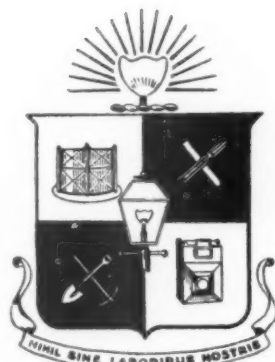
The Washington office of the American Gas Association will be discontinued on October 1. Inquiries and requests for assistance on fuel problems involving Government agencies should be addressed to New York Headquarters. A Washington telephone will be retained in the name of American Gas Association and liaison maintained through arrangement with the Washington Gas Light Company.

### New Detergent Uses Oil as Basic Raw Material

Announcement is made by Standard of California, San Francisco, of a new washing compound that uses petroleum as its basic raw material.

The new product, technically known as a synthetic detergent, will be handled by Oronite Chemical Company, a subsidiary of Standard of California. It is not planned to sell direct to retailer or consumer, but instead the product will be marketed to industrial users and trade outlets, which will package and distribute it to retailers.

This product is claimed to be superior to existing cleaners for many common uses and will help to relieve the present shortage of soap, and thus should release large quantities of critically short fats and oils.



## RECENT COURT DECISIONS Affecting Gas Utilities

### Damage to Stored Gas Equipment and Merchandise

**S**OON, no doubt, a stream of gas appliances, equipment and merchandise will be stored for distribution. Irrespective whether equipment and materials are stored on city streets, on vacant lots, in garages and public buildings, or in public warehouses the chances for litigations always are great.

#### Storage Classifications

Modern courts recognize two distinct classifications of storage contracts or agreements. First, when a warehouseman or other person accepts "payment" for storage of merchandise the law requires that he shall exercise "reasonable precaution" to protect and preserve the merchandise against loss or damage. In other words, the law requires paid bailees to exercise the same degree of care as an ordinarily prudent person would exercise toward his own property under the identical circumstances.

On the other hand, if gas company officials store merchandise any place and agree to pay *nothing* for storage accommodations, the owner of the place of storage is liable for loss or injury to the equipment or merchandise, *only* when the testimony proves that he was "grossly" negligent.

However, since it is seldom that gas company officials utilize free or accommodation storage facilities, we shall not take valuable time and space to review higher court decisions involving this phase of law. It is sufficient to state that when one accepts free storage accommodations he rarely, if ever, may compel the owner of the storage space to assume liability for theft, destruction or damage to the stored merchandise.

#### Ordinary Warehousemen

Ordinary warehousemen are paid bailees. The law requires them to

By **Leo T. Parker**

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exercise an "ordinary" degree of care to protect stored merchandise. Moreover, the law is well settled that a warehouseman cannot avoid liability for goods destroyed *as a result of his negligence*, although he inserts a clause in the warehouse receipt or storage contract which is intended to relieve him from all liability.

See *Traders Warehouse Company v. Bargainer*, 45 S. W. (2d) 563, where it was disclosed that a warehouseman issued a warehouse receipt containing a clause that he "should not be liable for loss of goods by fire." One night the warehouse burned and the owner of destroyed merchandise sued to recover its value and proved that the warehouseman had failed to use due care to prevent the fire. Therefore, notwithstanding the clause in the warehouse receipt, the higher court held the warehouseman fully liable for the loss.

This rule of law is applicable to all paid bailees, as persons or owners of lots, or buildings, or warehouses who agree to store gas equipment, appliances, or materials for compensation.

#### Limitation Clauses

Frequently, warehouse receipts contain clauses intended to limit liability in event the goods are damaged, lost, stolen or destroyed by fire. Briefly, a clause of this nature is valid if (1) the owner of the goods agreed to its provisions; (2) the charges are based upon the specified limited valuation and the owner is privileged to pay a higher storage rate and is given a higher valuation; and (3) the provision in the limitation clause is reasonable and not against public policy. See *Taussig*, 66 Pac.

259; *Marks*, 31 So. 671; and *Gesford*, 177 N. W. 794 for variations of the law on validity of limitation clauses in warehouse receipts.

Also, see *Rapp*, 134 NYS 855. Here a warehouseman had an owner sign an order authorizing him to get the goods for storage. This order contained a \$50 limitation clause, as also did the subsequently issued warehouse receipt.

This court held that a *valid contract* existed between the owner of the goods and the warehouseman, and the limitation clause was held valid.

On the other hand, see *Voyt v. Bekins Moving & Storage Company*, 127 Pac. (2d) 360. Here the testimony disclosed facts, as follows: the warehouseman issued a warehouse receipt containing a clause, as follows: "The responsibility . . . is limited to \$10 per hundred pounds unless the value thereof is made known at the time of storage and receipted for in the schedule an additional charge will be made for higher valuation."

However, the owner of the goods was never requested to and did not sign the warehouse receipt. Therefore, the higher court held the warehouseman liable for full value of the goods stolen from the warehouse.

Another important element of law arises where the owner of stored goods actually signs a warehouse receipt, and later contends that he did not read the limitation clause. Under these circumstances the limitation clause is void unless printed in *bold* and conspicuous type, or unless the warehouseman directed the owner's attention to the limitation clause.

#### Common Liability

Broadly speaking, the care required by law to be used by warehousemen to safeguard stored goods against theft or fire is dependent upon the at-



tending danger. However, failure to supply a night watchman usually is held to be negligence which results in liability, providing the warehouse is in such location that other reasonably prudent warehousemen would have thought it *necessary* and advisable to employ a watchman.

For example, in *Waldo Warehouse Company v. Lewis*, 141 S. W. (2d) 28, it was shown that a night watchman usually was employed to watch and guard the warehouse against fires, but on Saturday the regular watchman was discharged. The warehouse burned at about two o'clock that morning. The owners of the destroyed goods sued the warehouseman to recover the value of their merchandise.

In view of the fact that the warehouseman had failed to provide a night watchman, on the night the warehouse burned the higher court held the warehouseman liable.

### Sprinkler System

As above explained a paid bailee, as a warehouseman, may avoid responsibility for the loss of stored goods if he proves that the loss did not occur through his fault.

For illustration, in *Luke v. Security*

*Storage & Van Company, Inc.*, 24 So. (2d) 692, it was shown that at about 5 o'clock in the morning the warehouse building was practically destroyed by a fire which originated inside it. The owners of stored goods sued the warehouseman and alleged that his failure to have in the warehouse building a sprinkler system was legal negligence which resulted in his liability for value of the stored goods. The higher court refused to agree with this contention and said:

**"It is true that there was no sprinkler system in the building, but we do not think that it can be said that the mere failure to install such a system constitutes negligence."**

For convenience of readers, I list herewith several fire suits against warehousemen decided during the past few years. 142 S. W. (2d) 439; 141 S. W. (2d) 28; 133 S. W. (2d) 433; 246 N. W. 147; 115 S. W. (2d) 1078; 22 Atl. (2d) 162; 16 N. Y. S. (2d) 906; 111 S. W. (2d) 867; 253 N. W. 228; 39 S. W. (2d) 409; 9 S. W. (2d) 822; 117 So. 834; and 287 S. W. 931.

The above cases, represent a variation of warehousemen's fire loss suits. The higher courts consistently hold that warehousemen are not liable for loss of stored goods by fire, unless the testimony proves negligence

of the warehousemen, or his employees.

On the other hand, in another late decision the higher court held a warehouseman liable for loss of stored goods by fire because the warehouseman had moved the goods, without the owner's consent, to another warehouse building. This court held that when a paid bailee moves goods without the owner's consent he automatically becomes an "insurer."

### Warehouse Receipts

Obviously gas company officials subject themselves to considerable risks when storing valuable materials and appliances with an ordinary bailee. This is so because a public warehouseman is legally authorized to issue either negotiable or non-negotiable warehouse receipts designed by law to protect the bailor owners of stored property. This same protection cannot be afforded by the ordinary bailee who has no legal authority nor responsibilities.

For illustration, in the leading case of *Citizens Bank v. Arkansas Warehouse Company*, 96 S. W. 997, it was shown that a man found several valuable warehouse receipts. He was well known to the warehouseman and when he presented the receipts the warehouseman delivered the goods to him.

The original holder of the receipts sued the warehouseman to recover the full value of the goods, and the court held the warehouseman liable.

Moreover, a person who finds or steals a warehouse receipt, which is endorsed in blank, cannot transfer title to the goods by selling or otherwise disposing of the receipt. (See, 101 U. S. 557.)

On the other hand, if a negotiable warehouse receipt has been issued and properly endorsed and transferred to one who in good faith paid value therefor, the warehouseman is liable to the holder of such receipt if he refuses to deliver the merchandise.

Another important point of law is that a warehouseman may without liability deliver stored goods to the owner without demanding a non-negotiable warehouse receipt because, the sole purpose of a non-negotiable warehouse receipt is to enable the bailor to prove that the warehouseman accepted goods for storage. In fact the warehouseman is obligated to deliver goods to the owner, although the latter refuses to deliver his non-negotiable warehouse receipt. This law is not applicable to negotiable warehouse receipts. Also, a warehouseman is liable to a negotiable receipt holder who suffers finan-

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cial loss as a result of negligence, forgery, or alteration of a warehouse receipt by a warehouse employee who is authorized to sign receipts. For example, in *Allison*, 82 N. W. 184, it was shown that a manager of a warehouse issued a false negotiable receipt. When the buyer of the receipt presented it to the warehouseman he refused to deliver the goods. The holder of the receipt filed suit. The court held the warehouseman liable, saying:

**"A corporation is liable for acts done by its agents in the course of its business and their employment, and the corporation is responsible therefore as an individual is responsible under similar circumstances."**

In another case (20 Pa. Sup. Ct. 643) an innocent holder of negotiable warehouse receipts sued a warehouseman to recover the value of the goods which the warehouseman failed to deliver upon presentation of the receipts. The warehouseman testified that the receipts had been obtained from him by fraud and misrepresentation. However, the court held that since the warehouseman's negligence resulted in the fraud, he could not avoid redeeming the issued warehouse receipts.

It is well established law that although a warehouseman issues a ne-

gotiable receipt by mistake this fact does not deprive a bona fide purchaser and holder of the receipt to recover from the warehouseman (39 So. 417). But this rule of law is not applicable to non-negotiable warehouse receipts.

### Theft Liability

Very often warehousemen have avoided liability for the loss of goods taken by thieves who break into the warehouse providing the testimony proves that he exercised ordinary prudence in providing a watchman or modern burglary alarms. Failure to take these reasonable precautions may result in the warehouseman being liable for loss of the goods.

For illustration, in *Hodel v. Tower*, 218 N. Y. S. 61, it was shown that a warehouse building was partly equipped with an antiquated burglary alarm system which was designed to ring a gong.

One Saturday afternoon, when the regular watchman was off duty, several motor trucks were backed boldly up to the doors of the building and several thousand dollars in merchandise was hauled away.

In view of the fact that the watchman was off duty when the theft occurred and also since the building

was not equipped with a modern burglary alarm, the court held the warehouseman liable.

On the other hand, in *Stoke v. Brown*, 142 N. Y. S. 36, the testimony proved that while a capable watchman was on duty paroling the warehouse, thieves surprised him and knocking him senseless. These thieves broke their way into the warehouse and stole a large quantity of valuable merchandise.

In this case the court held the owners of the goods not entitled to recover damages from the warehouseman. This court said that a warehouseman who employs an efficient watchman to safeguard stored property has exercised "ordinary" care to protect his customers against loss, and he is not liable if under unusual circumstances thieves incapacitate the watchman and steal the property.

Regarding employes, only a few weeks ago a higher court (60 N. E. (2d) 41) refused to hold a warehouseman liable for theft of an employe. This warehouseman proved that three former employers of the employe had recommended him for honesty. This higher court held that under these circumstances a warehouseman is not negligent and, therefore, not liable for theft convicted by the employe. Also, see 269 Pac. 459.

## Portland Home Appliance Show



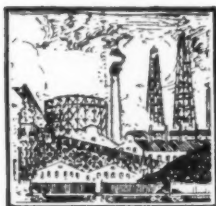
Display of automatic water heaters and appliances. From left to right the water heaters are Ruud, Mission, Day & Night, Crane, Rheem, General, Continental and Servel. In the foreground are a Ward floor furnace, a Bryant boiler and a Crane boiler. A Coraire warm air furnace is at the extreme right.

Members of the Gas Appliance Society of Oregon not only entered the big three-day Home Appliance Show in the Civic Auditorium September 20 to 22—they actually stole it!

Sponsored by the First National Bank of Portland, the show was staged with the idea of presenting in dramatic fashion a huge display of postwar home appliances which would renew the public's hopes of being able to get them in the not too distant future. Too many people, it was felt, were becoming impatient and spending on impractical things the funds they had earmarked for household appliances.

Attended by nearly 100,000 enthusiastic visitors from Portland and its surrounding trade area—as many as 4600 an hour—the show is believed to be the first of its kind and it featured more than a score of interesting exhibits by distributors of general lines of household appliances.

That the show more than accomplished its purpose was evident from the enthusiastic comments received from participants and visitors alike by William Bell, First National vice-president. The show reassured all concerned that the public has lost none of its enthusiasm for, and desire to own, postwar home appliances.



# News of the Gas Industry



## New Jersey Public Utility Commission Permits Increase in Rates

In a decision recently rendered by the New Jersey Public Utility Commission, the Public Service Electric and Gas Company, the Atlantic City Gas Company and County Gas Company have been permitted an increase of rates in certain blocks of residential service rates and building, heating and cooling service rates.

Excerpts from the decision follow:

"It appears that the proposed rate increases will increase operating revenues of Public Service Electric and Gas Company by \$600,300 per annum; the revenues of Atlantic City Gas Company by \$23,000 per annum; and the revenues of County Gas Company by \$3,600 per annum.

"Conditions have changed materially since applicants' present rates were filed in 1935 and 1936. The surplus capacity which applicants then enjoyed has almost ceased to exist as a result of the considerable increase in the volume of sales. Each of the applicants is now engaged in providing additional capacity in order to adequately provide for requirements of present and prospective customers. Production and other costs have materially increased. It also appears that the price of oil used for house heating has increased approximately 50 percent.

"It is noted that the applicants propose increases ranging up to approximately 20 percent in the price of gas for house heating. When this is compared with the 50 percent increase in the price of oil for house heating, it is evident that customers who selected gas as a heating fuel prior to the war would now be in a substantially more favorable position with respect to alternative fuels even under the proposed gas rates.

"In view of the foregoing the Board will permit the applicants to place into effect the proposed rates as filed, to become effective with bills rendered in the regular course on end after December 1, 1946, covering the use of gas subsequent to November, 1946 meter readings."

## Bittner Joins Bryant Heater Company Sales Staff

Ben W. Bittner has joined the staff of the Industrial Division of Bryant Heater Company, Cleveland, as sales engineer, it is announced by D. A. Campbell, manager of the division.

A member of The American Society for Metals, Bittner was previously associated with General Alloys and North American Manufacturing Company in a sales engineering capacity, and with Crucible Steel Company as combustion engineer.

## Schlegel Elected Vice Pres. United Engineers and Constructors Inc.

The Board of Directors of United Engineers & Constructors, Inc., announce the election of Carl A. Schlegel to the position of Vice President and Gas Sales Manager.

Mr. Schlegel is a graduate of Stevens Institute of Technology, receiving a degree of Mechanical Engineering in 1910. After graduation he entered the employ of the United Gas Improvement Company, Philadelphia, as a Cadet Engineer engaged in the construction and operation of water gas, coal gas and power plants. In 1915 he was transferred to the Northern Indiana Gas & Electric Company at South Bend, Indiana, as Gas Engineer and in 1917 became Manager of the property. During the first world war he was a 2nd Lieutenant of Field Artillery.



Carl A. Schlegel

Returning to the United Gas Improvement Company after his discharge from the Service he became a gas engineer on the Home Office staff. In 1928 United Engineers & Constructors, Inc., was formed and Mr. Schlegel became Sales Manager of the Gas Division.

Mr. Schlegel is a member of the American Gas Association, Canadian Gas Association, the Southern, Pennsylvania, New Jersey and New England Gas Associations, Wisconsin Utilities Association, Society of Gas Lighting and the Guild of Ancient Suppliers, and has been an active participant in gas association affairs. From 1926 to 1931 he was a member of the Operators' Committee of the Technical Section of the American Gas Association and now represents the company on the Builders' Section, of which he is chairman.

## CONVENTION CALENDAR

### November

- 11-14 *National Hotel Exposition*, Grand Central Palace, New York.
- 18-22 *National Metal Congress and Exposition*, Atlantic City, N. J.
- 19-20 *A.G.A. Southwest and Mid-West Personnel Conference*, De Soto Hotel, St. Louis, Mo.
- 20 *N.E.G.A., Safety Conference of Operating Division*, Worcester, Mass.
- 21-22 *Mid-Southeastern Gas Assn.*, Raleigh, N. C.
- 22-23 *New Jersey Utilities Assn.*, Seaview Country Club, Absecon, N. J.

### December

- 2-6 *Amer. Soc. Mechanical Engineers*, New York.
- 2-6 *National Exposition, Power and Mech. Eng'g.*, Grand Central Palace, New York.

### 1947

#### February

- 13-14 *Residential Gas Section, Eastern Natural Gas Sales Conference*, Roosevelt Hotel, Pittsburgh.

#### March

- 17-18 *Residential Gas Section, Midwest Gas Sales Conference*, Edgewater Beach Hotel, Chicago.
- 20-21 *New England Gas Association, Annual Meeting*, Boston, Mass.

## Annual Meeting, I. N. G. Assn.

The 1946 annual meeting of the Independent Natural Gas Association of America will be held at the Blackstone Hotel, Fort Worth, Texas, on November 22, it has been announced by John A. Ferguson, executive director of the Association.

"This will be the most important meeting the Association has held since its organization," Mr. Ferguson said. "With the Federal Power Commission expected to report to Congress on the results of that agency's year-long investigation of the industry, it will be most important for the people of our industry to be brought up to date and keep abreast of activities affecting the industry."



### Contract for 70 Million Dollar Pipe Line Let

Contract to install the California section of the 70 million dollar pipeline project designed to bring Texas and New Mexico gas to Southern California was awarded in September to the H. C. Price Co. by Southern California Gas Co. and Southern Counties Gas Co. of Los Angeles.

The Price Co., which participated in the construction of both the Big Inch and Little Inch pipeline projects, has offices in Los Angeles, San Francisco, Calif., and Bartlesville, Okla.

Construction under the contract awarded to the Price Co. involves an expenditure of \$3,750,000. The contract calls for the installation of 214 miles of 30-inch high pressure natural gas transmission line between Blythe, Calif., and the Santa Fe Springs Station of the Southern California Gas Co., 10 miles southeast of downtown Los Angeles. This line represents the California end of a 1000 mile pipeline extending from Santa Fe Springs to the dry gas fields in the Eunice area of Lea County, New Mexico. The line's length from Eunice to the Colorado River, where it will connect with the 30-inch California line, is 737 miles.

The section from Blythe to Santa Fe Springs, construction of which is being handled by the Price Co., is regarded as the largest high pressure pipeline of its kind in the history of the natural gas industry. H. C. Price, president of the Price Co., who was in Los Angeles in mid-September to sign the contract with the Los Angeles gas companies, predicted that the Blythe-Santa Fe Springs line is of such magnitude that it probably will be referred to in the future as the "Biggest Inch."

The 737 mile section of the line from New Mexico to the Colorado River, together with gas field feeder lines and extensions, is being constructed by the El Paso Natural Gas Co., El Paso, Tex., which had construction already under way early in October.

### Pipe Line Extensions in Penna. and W. Virginia

The Manufacturers Light and Heat Co. anticipates early completion of its new 20-inch natural gas line from the West Virginia border to a point west of Pittsburgh in the vicinity of Coraopolis, Pa.

According to Irving K. Peck, vice president and general manager of the gas company, the contracting firm of Williams Bros. Corp., Tulsa, Okla., has completed the grading of 54 miles of right of way, and has placed 28 miles of pipe along the route.

The southern terminus of the new pipe line that is being constructed in order to increase the natural gas supply in this general locality is on the West Virginia state line at a point near Waynesburg, Pa.

The United Fuel Gas Co., an associated company in the Columbia System of natural gas companies, is extending and expanding one of its main transmission systems approximately 50 miles in West Virginia to this junction.

Currently, one group of pipe line in-

stallers are working north from this point of connection and are heading for the Waynesburg compressor station of The Manufacturers Light and Heat Co. Another group is working north out of Waynesburg. The third group started south from Washington, Pa., and will soon meet up with those coming from Waynesburg.

This new construction is a part of a \$4,500,000 investment being made in this general area by The Manufacturers Light and Heat Co. in an effort to provide more and better gas service to residential, commercial and industrial customers.

The new line, while on a new right of way, parallels and supplements existing gas transmission lines. It will be of particular and immediate benefit to natural gas users in Wheeling, Steubenville, Donora, Connellsville, Washington and Pittsburgh.

Fifty-four miles of the 20-inch natural gas line will be laid in 1946. A remaining 22 miles, including crossing the Ohio River at a point down the river from Pittsburgh, and bringing the line to a terminus near Ellwood City, will be undertaken in 1947.

The route of the new natural gas line will necessitate crossing under 31 improved highways, 39 unimproved roads, eight railroads, one railway and nine streams.

### Extension of Natural Gas in Alberta

Franchise has been granted to S. Hector of Calgary, Alberta, for supply of natural gas to the town of Peace River, Alberta. Mr. Hector has acquired a reservation of 18,000 acres north and east of Peace River and is drilling three gas wells, one mile north, two miles north, and three miles northeast, respectively.

Gas was discovered in Peace River in 1916. In the following nine years a score of wells were drilled. Depths ranged from 300 to 3,000 feet.

Recently the town of Athabasca announced the granting of gas franchise, 75 miles northeast of Edmonton. Now Peace River becomes the most northerly natural gas outpost in the province. Peace River is 250 miles north and west of Edmonton.

### S. G. E. Announces L.P.G. Conversion Service

A new service and department, designed and created to expedite the growing trend for conversion of manufactured gas plants, particularly of the coal, oil, and gas water types, to propane- and butane-air operations, or for peak-load standby service, is announced by Southern Gas & Equipment Co., Tulsa, Oklahoma. Robert B. "Bob" Leydig, until recently affiliated with Walco Engineering & Construction Co., Tulsa, has been appointed general manager of this new department, effective October 15th.

Mr. Leydig, with a background of more than 25 years' experience in engineering, supervising, constructing, and operating industrial plants largely in the field of petroleum and chemical manufacturing, brings a wealth of practical knowledge to this new L-P gas conversion or standby construction service.

### F. P. C. Order

The Federal Power Commission has announced an order authorizing Natural Gas Pipeline Company of America to deliver natural gas into the distribution system of Western United Gas and Electric Company for Chicago District Pipeline Company's account, and to construct necessary facilities to effect such delivery.

Western United, which serves mixed natural and manufactured gas to a number of northern Illinois communities, including Aurora, Elgin and Joliet, has planned to convert a segment of its local service to straight natural gas. Communities which will be affected included Algonquin, Cary, Crystal Lake, Fox River Grove, Genoa, Gilberts, Hampshire, Harvard, Huntley, Lakewood, Marengo, McHenry, Union and Woodstock, all in Illinois.

### New York State Utility Council

Nearly 100 executives of electric and gas companies in New York State met at Saranac on September 27th and 28th to hear discussions of various problems confronting the two industries. At the conclusion it was decided to call the group the New York State Utility Council and to meet informally from time to time. Robert E. Ginna, vice president of the Rochester Gas and Electric Corporation, was designated as chairman for the coming year with instructions to call a meeting when it was deemed necessary.

The sponsoring committee for the meeting was composed of: Ernest R. Acker, President, Central Hudson Gas and Electric Corporation; E. F. Barrett, President, Long Island Lighting Company; Robert E. Ginna, Vice President, Rochester Gas and Electric Corporation; John Haley, President, Central New York Power Corporation; R. D. Jennison, President, N. Y. State Electric and Gas Corporation; B. G. Neilson, Vice President, The Brooklyn Union Gas Company; A. T. O'Neill, President, Buffalo Niagara Electric Corporation; Otto Snyder, President, New York Power and Light Corp.

During the two days session the following addresses were heard: "Helping Each Other with Common Problems," by Mr. Acker; "The Present Significance of the Gas Turbine and Atomic Energy in Future Power Plant Planning," by J. K. Salisbury, General Electric Company; "What's Ahead in Financing?" by Dr. Bartow Griffiths, Manager of Utility Division, Standard and Poors Corp.; "How Free Should Free Servicing Be?" by G. L. Leibman, Director, Dealer Relations, Consolidated Edison Company of New York; "Economic Research as a Basis for Selective Load Building," by Constantine Bary, Rate Research Engineer, Philadelphia Electric Company; "The Legal Front," by T. Carl Nixon, Senior Partner, Nixon, Hargrave, Middleton and Devans, Rochester, N. Y.; "How to Keep Friends for the Utility," by E. R. Dunning, Vice President, N. W. Ayer and Son; "Where Do We Stand?" by Albert F. Tegen, President, General Public Utilities Company.

### Cleveland Laboratories Inspection Department Completely Staffed By Veterans

Annual inspections of approved gas appliances in production were well under way this month with a crew of experienced inspectors of the American Gas Association Testing Laboratories in the field.

The entire five-man Inspection Department, which will visit from Cleveland some 300 different plants throughout the country in checking appliances for extension of certification, is unique in that all its members are returned veterans. All are thoroughly familiar with Laboratories' policies, requirements, and procedures since they all joined the Laboratories' staff during the 1938-39 association year and were engaged in test work before entering military service.

Heading the Department is Lt. Colonel Bruce A. McCandless. Other members of the Department are Lt. Colonel Thomas S. Leitch, Capt. Carl F. Geltz, Navy Lt. Howard C. Clark and Technical Sgt. David G. Willich.

With the resumption of gas appliance production well under way, the men expect to have a busy year, some 100 new companies having been added to those listed in the Directory of Approved Appliances and Listed Accessories. Manufacturers are being notified of inspections in order that as many models as possible can be examined and keep repeat calls to a minimum.

Approval of appliances, found in the field to comply fully with Laboratories' records, will be renewed for the year 1947. In addition to factory visits, inspections will also be made in warehouses, at retail outlets, and on dealers' floors. Calls are also occasionally paid to a consumer's home for the purpose of checking not only individual appliances, but their installation as well.

### Riley Appointed Manager

The Philadelphia Electric Co. has appointed Lewis D. Riley manager of the Chester County Light and Power Company, to succeed the late Jesse F. Potts. His office will be at Kennett Square.

Mr. Riley has been in the public utility business since 1912. His wide experience has included assignments in electric construction work, substation operation, power dispatching, and electric metering.

### Data Sheets on Combustion

First ten of a series of "Combustioneering" data sheets especially prepared for combustion and process engineers are offered by the Industrial Division of Bryant Heater Company. Mathematical tables, properties of gases, metals and other materials, and gas orifice capacity tables are included in the initial sheets, which are intended to bring together useful gas combustion and industrial heating data not readily available in a single reference source.

Additional material will be added from time to time, in notebook punched sheets uniform with those now ready. Available on request to the Industrial Division, Bryant Heater Company, 1020 London Road, Cleveland 10, Ohio.

### J. E. Drew with N. A. M.

J. E. Drew, formerly assistant director of promotion of the American Gas Association and deputy manager of the American Bankers Association, has been appointed an assistant to Holcombe Parkes, vice president in charge of public relations of the National Association of Manufacturers.

Last February, Mr. Drew became assistant director of promotion of the American Gas Association. He aided in the creation of national promotional campaigns for the gas industry and manufacturers of gas appliances, and prepared public relations material for gas utilities to use at the community level. He organized an industry-wide speaking program, and served as one of the speakers.

### John D. Conley Elected V. P. Coroaire Heater Corp'n.

A. W. Conley, executive vice president and general manager of the Coroaire Heater Corporation, announces the appointment of John D. Conley as vice president.

Mr. Conley has been a director and assistant secretary of Coroaire since the organization of the corporation. He will supervise the engineering and service departments. At one time he was plant superintendent of the Butler Manufacturing Company, and has had many years of experience in both production and sales.

### Launey of Con. Edison Co. Retires, Succeeded by Hald

Reuel O. Launey, auditor of Consolidated Edison Company of New York, Inc., since 1941, will retire from that post October 1 under the provisions of the company's retirement program. He will be succeeded by Arthur E. Hald, manager of the company's Auditing Department since 1941.

Mr. Hald was employed by the Brooklyn Edison Company in 1920 as a clerk in the Accounting Department. He advanced until in 1935 he was appointed manager of the General Accounting and Disbursements Bureaus. Later the same year, he was transferred to Consolidated Edison as manager of the Internal Audits and Methods Bureau, a post which he held until his appointment as manager of the Auditing Department.

Mr. Launey became auditor of the Brooklyn Edison Company in 1921 and in 1938 he was elected an associate controller of Consolidated Edison, continuing as auditor of the Brooklyn company.

### Servel Awards Refrigerators on Radio Broadcasts

Mr. and Mrs. Robert Kelsey received the first Servel Gas Refrigerator to be given away on the American Broadcasting Company's new program, "Bride and Groom."

Each Monday on this program, which is heard from coast to coast on the stations of ABC at 8:30 E.S.T., a Servel Refrigerator is given to the lucky couple chosen as that day's "Bride and Groom."

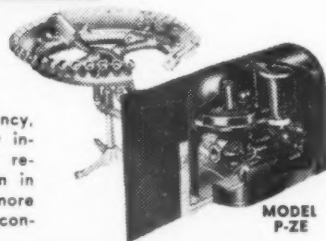
Servel's participation on the program "Bride and Groom" began September 23 and will continue on each Monday for twenty-five weeks.

### Refrigerating Engineering Has a New Editor

The American Society of Refrigerating Engineers has announced the appointment of Fred C. Kelly, Jr., of New York, as editor of *Refrigerating Engineering*, New York, the monthly journal of that Society. Since the resignation, about a year ago, of the former editor, Helen Peffer Oakley, the magazine has been published under the direction of Clifford F. Holske with the assistance of the Managing Editor, Barbara Belcher, who will continue in that capacity.

## COLUMBIA CONVERSION GAS BURNERS

Popular with scores of utilities and thousands of home owners. Simplifies problem of converting to gas. Tamperproof controls, quiet operation, high efficiency, positive performance. Easily installed. Negligible service requirements. Each installation in a neighborhood sells many more because of its simplicity, economy and ease of control.



FOR WARM AIR FURNACES AND HOT WATER, STEAM AND VAPOR BOILERS

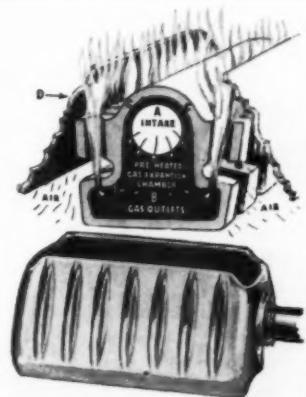
NU-TYPE ductless burner that performs perfectly with natural, manufactured or mixed gas.

## LITTLE GEM GAS BURNER

A small unit which may be used singly or in series. Each unit 6½ in. long x 4 in. wide. Wide application of domestic and commercial uses. May be used in round or square steam or hot water boilers, warm air furnaces, Arcola type heaters and circulating heaters. Used commercially for heating tanks, boilers, ranges, ovens, etc. Natural, manufactured, or mixed gas. Complete combustion without pre-mixing. Write for circular.

### COLUMBIA BURNER CO.

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### 103,000 Precedents Govern Labor Relations Today

The 1946 industrial relations man is up against a backlog of more than 103,000 precedents and principles, any one of which may have direct bearing on a current problem. This was revealed when The Bureau of National Affairs, Washington, D. C., issued the first and only Labor Relations Cumulative Digest and Index.

This constantly-growing backlog has been built up over 10 years of experience since passage of the Wagner Act and includes provisions and requirements of labor laws, decisions of boards, rulings of federal and state agencies, opinions of the courts, executive orders, collective bargaining contract guarantees, and statements of officials.

The 3500-page Cumulative Digest and Index is equipped with a Topic Finder and Table of Cases to simplify research. It is divided into two parts and contains Divisions on labor organization, collective bargaining, statutes and procedure, jurisdiction of boards and courts, unfair practices, selection of employee representatives, statutory restrictions on unions, economic weapons of labor, methods of settling disputes, special classes of employees, wages and hours, and special wartime restrictions.

### Wright Enters Appliance Field

Completing nearly twenty years of service, Franklin R. Wright, Supervisor of the American Gas Association Cleveland Testing Laboratories, has resigned to enter the gas appliance manufacturing field. He has established the Wright Manufacturing Corporation at Delaware, Ohio, and will build automatic storage hot water heaters.

Mr. Wright joined the Laboratories as a test engineer early in 1927, a few years after its establishment. He contributed much to the Laboratories' growth and prestige, occupying various positions as inspector, manager of publications, supervisor of requirements committee activities, chief inspector, manager of testing and inspection departments, and in February, 1945, was appointed Supervisor. In addition to his other duties, for the past 15 years he has handled many phases of the Laboratories' legal work, and during the latter part of the war years had charge of production of high altitude oxygen regulators for the Army Air Forces.

### Amer. Radiator and Standard Sales Plan Revision

The American Radiator and Standard Sanitary Corporation, Pittsburgh, Pa., will institute several changes in General Sales Supervision, as announced by D. D. Couch, Vice President, General Manager of Sales.

All District Sales Divisions will be discontinued, effective October 1, 1946, and all Sales Territories will function under direct supervision of the General Sales Office at Pittsburgh.

The appointment of Field Managers to coordinate the work of the Sales Offices was announced by Mr. Couch. Mr. A. M. Maddock, Mr. H. F. Beglen, Mr. H. H. Steck, Mr. D. J. Quinn, and Mr. H. C. Day have been named Field Managers, General Sales. They will operate from the Office of the Vice President, General Manager of Sales.

Mr. Maddock will remain in his present offices in New York, and Mr. Beglen will continue to operate from Chicago. Mr. Steck, Mr. Quinn, and Mr. Day will be located at the General Offices at Pittsburgh.

Mr. W. T. Reed has been appointed Manager of the Philadelphia Sales Office, succeeding Mr. Quinn, and Mr. Thomas Hannah will assume Mr. Reed's duties in the Washington Sales Office. Mr. Day will be succeeded by Mr. D. J. Keefe as Manager of the Buffalo Sales Office.

Mr. Joseph Salamone has been appointed Manager of the General Sales Department and Quotation Department at Pittsburgh.

### Komich Joins Rockwell Sales Staff

A. J. Komich, who was recently discharged from the U. S. Navy with the rank of Lieutenant-Commander, has been appointed to the New England sales staff of the Pittsburgh Equitable Meter Division, Rockwell Manufacturing Company. He will work from the Boston, Massachusetts, office under the direction of F. C. Arens, District Manager.

Mr. Komich is a native of Medford, Massachusetts, and a graduate of the Engineering School at Northeastern University. He will represent the company in the states of Massachusetts, Maine, New Hampshire and Vermont. He will handle the sale and service of meters for gasoline, oil and industrial applications.

### Dawson, Superintendent at Vancouver

G. S. "Pete" Dawson has been appointed superintendent of gas engineering by the B. C. Electric Railway Company at Vancouver, B. C. Mr. Dawson will advise on all gas construction and distribution plans, a program which will involve expenditure of over \$2,000,000 during the next 18 months. Mr. Dawson was formerly gas sales manager for the company.

### R. G. Thompson Appointed Sales Manager for Climax

R. G. Thompson has been appointed by Climax Industries, Inc., as Sales Manager of the L.P.G. Division, Tulsa, Oklahoma, as of October 1. "Tommy" was associated with the Skelgas Division of Skelly Oil Company since 1941 as a special representative. As a Tech-Sergeant in the Army Air Craft Ordnance, World War II, he spent two years in the European theater of operations.



R. G. Thompson

Mr. Thompson has a wide acquaintance with Butane-Propane tank manufacturers throughout the southwest. Many of them as well as L.P.G. dealers, will remember him while traveling the southwest for Butane Equipment Company.

## "JOURNAL" GAS FLOW COMPUTERS

### High Pressure

#### RANGE:

Cu. Ft. of Gas Per Hour—100-10,000 M  
Diameter of Pipe—Inches ¾-30  
Difference in Absolute Pressure—Lbs. per sq. in., 1-500  
Sum of Absolute Pressures—Lbs. per sq. in., 2000-20  
Specific Gravity—1.5-.35  
Length of Pipe—Feet 100-5000  
Length of Pipe—Miles 1-250

### Low Pressure

#### RANGE:

Cu. Ft. of Gas Per Hour—10 to 500 M  
Pipe Diameter—¾" to 48"  
(including standard and actual weight up to 4")  
Pressure Loss—Inches .01:10  
Length of Pipe—Feet 30-30,000  
Specific Gravity—1.5-.35  
Constants—1400-1000

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"B" TYPE METERS  
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### American-Standard Features New Literature

American-Standard has released advance copies of seven new booklets to the Corporation's Wholesale Distributors, according to H. L. Spindler, Manager of Advertising and Sales Promotion.

These "Sales Aid" booklets, which are part of a series which eventually will cover the complete line of American-Standard Heating Equipment and Plumbing Fixtures, are presented in an attractive display portfolio, which is fitted with "Take-One" pockets to hold the booklets. Included in the portfolio are six pamphlets previously released—five of which cover the American-Standard line of Plumbing Fixtures, and one which deals with American Gas Boilers. The portfolio may be placed on desk or counter top to provide a neat, compact display of the literature.

Five of the new booklets cover the complete line of American-Standard Sunbeam Heating Equipment, giving product information, specifications, and installation data concerning Sunbeam Winter Air Conditioners and Warm Air Furnaces, for coal (hand-fired or stoker), oil or gas. Full color illustrations emphasize sales features and point out details of construction of the Sunbeam Equipment.

A new booklet shows the American-Standard line of "Standard" Chromard Brass Fittings. A brief explanation of the "Standard" RE-NU Feature is given with cutaway drawings to explain its mechanical aspects.

The booklets are pocket-sized, and may be used equally well as point-of-sale literature or as direct mail pieces. They are available, properly imprinted, to the Trade through their regular Wholesale Distributors of American-Standard Products.

### Connelly Disposes of Valve and Governor Division

Connelly Iron Sponge & Governor Company, Chicago, announce that, as of October 1st, 1946, they no longer manufacture and sell the well known Connelly Valves, Governors, and Manometers. This portion of the Connelly business has been sold to Norwalk Valve Company, South Norwalk, Connecticut, who will take over the manufacture and sale of these products. Although Connelly will have no connection with this company, the long established trade name, "Connelly," will continue to be used and they will be made to the same high standards of quality and precision.

This move on the part of Connelly has been necessitated by the continued growth of their Gas Purification and Chemical Iron products business and the consequent demand for greater concentration on this phase of their operations. They will continue to manufacture and sell Connelly Iron Sponge, pH Kits, Calorimeters, and BTU Control equipment in connection with Propane and Butane systems. The growth of business in these lines has necessitated the establishment of plants in Los Angeles, California, as well as Chicago, and Elizabeth, New Jersey, and the decision to concentrate on this highly specialized work is well taken.

### Taylor, Executive Vice Pres. Lincoln Elec. Co.

C. M. Taylor has been elected executive vice president of The Lincoln Electric Company, Cleveland, O., by the board of directors.

Mr. Taylor has been with The Lincoln Electric Company since 1916, having been granted a leave of absence for service in World War I. He enlisted in the Air Corps in 1917 and returned at the end of the war, when he became a foreman. Later he was placed in charge of the company's time study and methods department, advanced to assistant superintendent and then superintendent. In 1928, he was appointed vice president in charge of sales and has served on the board of directors since 1927.

### Eichelsbach Director of Manufacture American Stove Co.

George P. Eichelsbach, Jr., who began with the American Stove Company's St. Louis plant in 1935 as an engineering draftsman and became successively Chief Engineer of the St. Louis Division and Chief Engineer of the entire company, has been elevated to Director of Manufacturing and Engineering by the Board of Directors.

President Arthur Stockstrom, in announcing the new appointment, said that few engineers have risen to a comparable position in such a short time. In just 11 years Mr. Eichelsbach has advanced until now he has full responsibility for both manufacturing and engineering in all five plants of the American Stove Company, world's largest producer of gas ranges.

### Ruud Mfg. Co. Appoints Lintvedt Gen'l Supt.

Halvard Lintvedt has been appointed general superintendent of Plant Nos. 1 and 2, Kalamazoo, Mich., of the Ruud Manufacturing Company, it is announced by R. H. Lewis, company president.

Mr. Lintvedt is an engineering graduate of the Christiania Technical School, Oslo, Norway, and was at one time a member of the Norwegian Air Force.

He has been associated with several American companies and more recently was general superintendent of the Ruud plant in Vernon, Calif.

### Seattle Gas Company Wins Annual Report Award

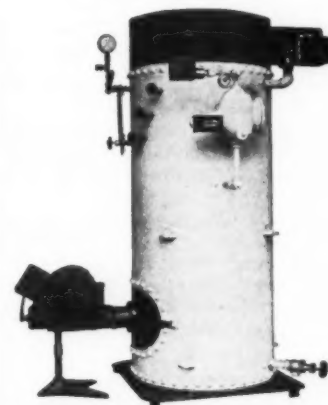
The Seattle Gas Company won the "Oscar" for the best annual report published in 1946 by the gas industry, in the Sixth Annual Survey of Corporate Reports conducted by the magazine "Financial World."

The trophy was officially awarded to the Seattle firm's president, N. Henry Gellert, at the Annual Report Awards Banquet in the Grand Ballroom of the Waldorf-Astoria Hotel in New York City on October 4. Charles M. Sturkey, vice-president and general manager, also attended.

Over 3,000 annual reports from various industries in the United States, Canada, Latin America, Europe and Australia were entered in the competition this year.

Judging is done from the standpoint of content, format and typography. The Seattle Gas Company's 56-page report was supervised by Honig-Cooper Company of Seattle.

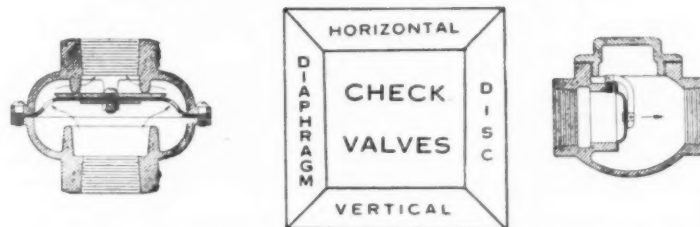
### LATTNER GAS — OIL BOILER 3 HP to 35 HP.



Burns natural gas or regular furnace oils with equal efficiency using same burner.

P. M. Lattner Mfg. Company  
Cedar Rapids, Iowa

### Pressure Controls for Gas and Air



### NORWALK VALVE COMPANY

Manufacturers of Connelly Governors, Valves and Gauges

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### New Executive Appointments Made by Koppers Company

Among the new executive appointments just announced here by General Brehon Somervell, President of the Koppers Company, Inc., Pittsburgh, Pa., were those of Vice President W. Reed Morris as General Manager of the new Gas and Coke Division; Vice President M. T. Herreid as Manager of Koppers Plants at Granite City, Ill., and St. Paul, Minn., and of Vice-President J. F. Byrne on special assignment for the Engineering and Construction Division.

Vice President Morris also announced the appointment of Kenneth R. Hare as Manager of the Seaboard Plant of the Gas and Coke Division. Mr. Hare has been Sales Manager of the Seaboard Plant at Kearny, N. J., since 1928.

Headquarters for Mr. Morris and Mr. Hare will be at Kearny, for Mr. Herreid at St. Paul, and for Mr. Byrne in New York.

Other appointments also announced by General Somervell include those of Vice President J. N. Forker as General Manager of the new Tar Products Division, Vice President Dan M. Rugg as General Manager of the new Chemical Division, and Vice President Stanley N. Brown as Manager of the new Finance Department.

### Coleman Company Appoints Burrows as Division Mgr.

Carl L. Burrows, for the past seven years manager of The Coleman Company, Inc., of Pa., with offices in Philadelphia, has been named secretary of the parent company at Wichita and manager of the Central Division, effective November 1st.

C. B. Kuhn has been elected treasurer of the Company.

L. L. White, formerly regional sales manager serving the New England states, succeeds Mr. Burrows as manager of the company's Eastern Division.

### Canadian Gas Association Annual Meeting

To avoid conflict with other meeting dates, the Annual Meeting of Canadian Gas Association has now been scheduled for June 9, 10 and 11. Headquarters will be The General Brock Hotel, Niagara Falls, Ontario.

### A.G.A. To Exhibit at Power Show

Another American Gas Association combined exhibit will be included in the first postwar National Exposition of Power and Mechanical Engineering, Grand Central Palace, New York, December 2 to 7, 1946. A diversity of appliances will be shown which affords an opportunity for the gas industry to demonstrate the wide application of gas fuel to the many phases of industry where heat is necessary. Gas men are urged to attend, and make the A.G.A. exhibit their headquarters while in New York.

### Phillips Promotes L. H. Wright

Phillips Petroleum Company recently announced the appointment of Larry H. Wright as Assistant Manager of the Chemical Products Department in charge of the Philgas Wholesale, Industrial and Retail Divisions. Mr. Wright will also continue as Manager of the Wholesale Division.

The appointment was made to handle the increased activities and expansion of sales in all phases of Phillips liquefied petroleum gas marketing together with the increasing volume of other responsibilities of the department which have brought about the necessity for additional management assistance. Mr. Wright will absorb certain general responsibilities as Assistant Manager but his major duties are in the direction and correlation of the Philgas Industrial Wholesale and Retail Division's activities.

### Seattle Gas Co. Wins Award for Annual Report

The Seattle Gas Company's prize winning 1945 Annual Report was awarded the Silver Oscar as best in the nation's entire public utility industry at Financial World's sixth annual report awards banquet in New York City, October 4.

N. Henry Gellert, Seattle Gas Company president, and Charles M. Sturkey, vice-president and general manager, were present at the Waldorf-Astoria banquet to receive the honor, which tops an earlier Bronze Oscar award announced previously for the Seattle report, judging it best in the gas industry.

The annual report contest, which is sponsored by the magazine Financial World, is held each year.

### Alabama Gas Co. Announces New Appointments

R. A. Puryear, Jr., has been made General Manager of the Alabama Gas Company with headquarters in Birmingham, Ala., according to an announcement by the President of the Company, N. J. Greene.

Mr. Puryear began with the former Alabama Utilities Service Company of Selma, in the late 20's, starting as a meter reader. Since that time he has been employed in every branch of the utility.

Other shifts in management personnel include the appointment of Stanley Slater to succeed Puryear as General Manager at Montgomery, Ala.

Howard Higgins is the new manager at Opelika. Charles F. Stubbs has been transferred from Opelika to the post of Manager at Gadsden.

Howard Putman is now Manager at Wetumpka and Ed Miller was appointed to the same position in Anniston.

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CONSULTING ENGINEER

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INDUSTRIAL FURNACES

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Automatic Water-Gas Controls  
Hydraulically-Operated Valves  
for Air, Gas, and Steam

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**The GAS MACHINERY CO.**

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*For Real Gas-purifying Power*  
**CONNELLY IRON SPONGE**

• To get top efficiency in gas-purification at the lowest cost, use Connelly Iron Sponge. It's the finest purification material to be had.

Connelly Iron Sponge has a high degree of activity. It gives longer service before fouling. It revivifies more quickly. Leading gas companies have been using this "blue-ribbon" purification material for years—they know it can be relied upon to do the best job.

If you have a problem in gas-purification, take advantage of Connelly's 71 years of experience. Our engineers will be glad to help you . . . there is no obligation. Consult Connelly!

*Connelly Valves, Governors, and Manometers are now manufactured and sold only by Norwalk Valve Co., South Norwalk, Connecticut. Connelly will, however, continue to manufacture and sell Gas Purification Equipment including Connelly Iron Sponge, pH Kits, Caloroptics, and BTU Control equipment in connection with propane and butane.*

**CONNELLY IRON SPONGE & GOVERNOR CO.**  
Elizabeth, N. J. Los Angeles, Calif.  
3154 S. California Ave., Chicago 8, Illinois

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## Large Volume Water Heating

**Chapter 7 of the series of articles by Malcolm B. Mackay, is now in preparation and is scheduled for the December issue of the Journal.**

For Sale: "Proceedings of American Gas Institute" Vols. I-II inclusive. J. W. Penney, 85 Main St., Rockport, Mass.

### GAS ENGINEER WANTED

Gas Engineer with experience on layout and operation of manufactured gas plants and distribution systems wanted by general gas engineering organization. Reply giving details of age, education and experience. Address Box 155, c/o AMERICAN GAS JOURNAL, 53 Park Place, New York 7, N. Y.

### Superintendent Wanted

Wanted—Plant and Distribution Superintendent, output approximately 450,000 cu. ft. per day. Good opportunity for the right man. Note qualifications and salary expected when applying. Address Box 157, c/o AMERICAN GAS JOURNAL, 53 Park Place, New York City 7.

**Appliance Regulators.** Bulletin 1136 issued by Pittsburgh Equitable Meter Div. of Rockwell Manufacturing Co., Pittsburgh 8, Pa., describes in complete detail their gas appliance regulators with aluminum alloy cases. Dimensions are given for four sizes— $\frac{1}{2}$ ",  $\frac{3}{4}$ ", 1" and  $1\frac{1}{4}$ ".

## WANTED: MECHANICAL ENGINEER

(recent graduate)

Well established Western New York manufacturer requires services of a man with some experience in gas conversion burner and furnace testing and development work to assist chief engineer. Write fully, giving experience, salary expected and date available. Include photo if available. Write Box 156, c/o American Gas Journal, 53 Park Place, New York 7, N. Y.



## Financial Outlook

(Continued from page 18)

The Hartford Gas Company — a proposed sale to four banks of \$1,000,000 13/4% Promissory Notes, to be executed from time to time between September 1, 1946 and December 31, 1947, and mature not later than September 1, 1949.

Worcester Gas Light Company — a proposed issue of \$2,900,000 3 1/2% Unsecured Serial Notes and 45,824 common shares, par \$25.

The preferred stock issues previously referred to are:

The Harrisburg Gas Company, in April, 1946—a share for share exchange of new 4 1/2% Preferred on a 4.05% basis for outstanding 7% Preferred Stock.

Brooklyn Borough Gas Company in October, 1945—15,000 shares of 4.40% Preferred, at \$100 per share.

If I am right in my conclusions about the soundness of the industry, which seems to be substantiated by the record, then I would suggest for your consideration two things:

- 1st—Gather and prepare statistics which will be as accurate and dependable as you can make them.
- 2nd—Educate institutional and other investors as to the desirability of manufactured gas company securities as investments by adequate presentation of such statistical and factual material.

As a means of accomplishing these two objectives, consideration might be given to the creation of a committee to discuss with the financial and investing fraternity the problems of the industry and the type of statistical material which should be gathered and the form and manner in which it might be most effectively presented.

## Catalogs

**Time Control Switches** Bulletin T-55 issued by Automatic Temperature Control Co., 34 E. Logan Street, Philadelphia 44, Pa., describes principles of operation of their time switches. A wide range of types and models are available for industrial uses. Copy sent on request.

**Gas Scrubbers and Coolers.** The Peabody Engineering Corporation, of 580 Fifth Avenue, New York 19, N. Y., has issued an attractive 4-page illustrated bulletin on Peabody Gas Scrubbers and Coolers, summarizing recent developments and applications. Copies of this bulletin, No. H202, are available on request.

**Rotary Positive Blowers.** Roots-Connersville Blower Corp., Connersville, Ind., has issued Bulletin 22, 23-B-12 cov-

ering Rotary Positive Blowers, containing 24 pages. In addition to numerous installation illustrations, there are characteristic curves, cross-sections, and exploded views to show the operating principle and construction features. Relief valves and other accessories are illustrated and described, and there is a page of detailed specifications, and a table of standard sizes covering gear diameters from 8 to 22 inches.

**Gas Water Heaters.** Bulletin 517 issued by American Gas Machine Co., Albert Lea, Minn., describes their 20 and 30 gallon units with automatic control for all types of gases.

**Fluor Corporation General Catalog.** No. 46 gives information on all of their products and description of their engineering and construction services. Twenty pages, amply illustrated include Cooling Towers, Fin-Fan Cooling Units, Pulsation Dampeners for gas compressors, Air Cooled Mufflers for compressor stations and Gas Cleaners for liquid removal.

Copy available by addressing Fluor Corporation, 2502 So. Atlantic Blvd., Los Angeles 22.

**Catalytic-Cracking.** The economic significance of the Fluid Catalytic-Cracking Process of oil refining as improved since the war to its present most advanced state, is considered in a new brochure, "Fluid Progress," published by The M. W. Kellogg Company, petroleum engineers, of Jersey City, N. J. and New York, N. Y.

**Batch Cooking**—An illustrated and fully detailed description of Selas Systems for Batch Cooking, bulletin No. 333-F has just been published. It includes sectional and schematic drawings, tables, operating principles, applications, characteristics and advantages of Selas developments in the field of batch cooking. Copies can be obtained from the Selas Corporation of America, Erie Avenue and D Streets, Phila. 34, Pa.

**Worthington Bulletins.** Recent bulletins issued by Worthington Pump and Machinery Co., Harrison, N. J., are available as follows:

Horizontal Air and Gas Compressors, No. L-640-B1A; Type D. H. Diesel Engines, S-500-B42A; Steam Turbine Generator Power Plant, "Package Type," WP-1099-B50. All are well illustrated and carry informative data, details and diagrams.

**Protective Coating Chart.** A comprehensive 8-page bulletin gives factual information in condensed form about the entire Amercoat line of coatings.

Chart shows all characteristics and properties of Amercoat plastic coatings. Also, it is a ready guide for selecting the proper coating, preparation of the surface, and application methods on steel, concrete and wood. In addition, cost per square foot for materials, with area formulae, is provided. Copy will be sent on request. Write Amercoat Division, American Pipe & Construction Company, P. O. Box 3428, Terminal Annex, Los Angeles 54, California.

## F. A. ALLEN

Fred A. Allen, Assistant Supervisor of the Pacific Coast Branch of the American Gas Association Testing Laboratories, died suddenly of a heart attack in his office on September 17. He was 44 years old, having been born in Malvern, England, on December 22, 1901.

Mr. Allen came to Cleveland from England in 1910. He was graduated from Case School of Applied Science in 1924 with a degree in electrical engineering and joined the Laboratories staff over twenty years ago. Shortly following Mr. Allen's transfer to Los Angeles in 1931 he was made Assistant Supervisor of the Pacific Coast Branch.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, of American Gas Journal, published monthly at East Stroudsburg, Pa., for November, 1946.

State of New York } ss.  
County of New York }

Before me, a Notary Public in and for the State and county aforesaid, personally appeared S. G. Krake, who, having been duly sworn according to law, deposes and says that he is the Managing Editor of the American Gas Journal and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations.

1. That the names and addresses of the publisher, editor, managing editor and business manager are: Publisher, American Gas Journal, Inc., 53 Park Place, New York City; Managing Editor, S. G. Krake, 53 Park Place, New York City; Business Manager, H. T. Matthew, 53 Park Place, New York City.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) S. G. Krake, 53 Park Place, New York City.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom said trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, of paid subscribers during the six months preceding the date shown above is ———. (This information is required from daily publications only.)

S. G. KRAKE,  
Managing Editor.

Sworn to and subscribed before me this 30th day of September, 1946.

(Seal.) MARY E. KELLEHER,  
(My commission expires March 30, 1948.)

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